

4. Proposed Casing Program:

| <u>String</u> | <u>Footage</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>Thread</u> |
|---------------|----------------|-------------|---------------|--------------|---------------|
| Surface | 400' | 13-3/8" | 48.00# | H-40 | ST&C |
| Intermediate | 3,000' | 9-5/8" | 36.00# | J-55 | ST&C |
| Production | 9,850' | 4-1/2" | 11.60# | N-80 | LT&C |
| Tubing | 9,750' | 2-3/8" | 4.70# | N-80 | EUE 8rd |

Proposed Cementing Program:

Cement 13-3/8" casing with 450 sx Class "C" cement with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 cuft/sx).

Cement 9-5/8" casing with 850 sx Class "C" with 4% gel and 2% CaCl₂ (s.w. 13.51 ppg, yield 1.74 ft³/sx) plus 200 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.34 ft³/sx).

Cement 4-1/2" production casing (resin coated and centralized through pay zones) with 150 bbls 3% KCl water containing 15 gallons packer fluid, 375 sx BJ Lite "C" with 0.3% FL-52 (s.w. 12.4 ppg, yield 2.0 ft³/sx) plus 700 sx Super "C" Modified (CSE) with 3% KCl, 0.6% FL-25 and 0.6% FL-52 (s.w. 13.2 ppg, yield 1.59 ft³/sx).

5. Pressure Control Equipment: See Exhibit #5. Operator proposes to pressure test BOP stack with rig pump to 1500 psig prior to drilling out the 9-5/8" casing shoe. BOP hydrotest will be conducted on first bit trip or prior to drilling the Wolfcamp formation. Operator proposes to use only one ram type or annular type preventor to drill the intermediate hole to 3000'.

6. Mud Program:

| <u>Depth</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> | <u>Waterloss</u> |
|---------------|-------------|---------------|------------------|------------------|
| 0-400' | Fresh Water | 8.5 | 40 | N.C. |
| 400'-3000' | Fresh Water | 8.5 | 28 | N.C. |
| 3000'-5000' | Fresh Water | 8.5 | 28 | N.C. |
| 5000'-8700' | Cut Brine | 9.0 | 29 | N.C. |
| 8700' - 9850' | XCD/Pac | 9.5-10.0 | 36 | 10 cc |