

MUD PROGRAM:

Fresh water, gel and LCM to 3,000 ft.

KCL with flosal to 9,000 ft. Flosal and drispak to total depth.

Mud weight to be kept below 10# unless gas cutting is evident.

BLOWOUT PREVENTER PROGRAM:

1500 Series BOP will be installed on 8-5/8" casing as shown on the attached diagram. Yellow jacket test will be run prior to drilling into Wolfcamp formation.

DRILLING PROGNOSIS:

Drilling to begin as soon after December 1, 1976, as practicable. It is anticipated that actual drilling operations will last 40 days.

13-3/8" surface casing will be set at 600 ft. with cement circulated to surface. Casing will be tested as required.

Intermediate string of casing 8-5/8" will be set at 3,000 ft. with cement circulated to the surface. Casing will be tested as required.

Drilling below intermediate string will be done using KCL water with flosal.

Prior to drilling into Wolfcamp formation, a "yellow jacket" test will be made on blowout preventers.

Drillstem tests in the Wolfcamp formation and the Atoka and Morrow formations are expected.

No positive test with hydrocarbons in the drillpipe will be pulled after dark.

Logging will be done when hole reaches total depth and will consist of Compensated Density Neutron Log and Lateralog.

No abnormal pressures or hydrogen sulfide gas is expected to be encountered.

No camps or airstrips are planned for the lease and the access road will be constructed approximately as shown on the enclosed topographic plat map entering the location site just south of the pipe racks.

If the well is completed as planned, the storage tanks will be on the location pad in the southeast corner approximately 150 feet southeast of the well.