

DRILLING PLAN
HAPPY VALLEY FEDERAL COMM. B-1
SECTION 28, T-22-S, R-26-E
EDDY COUNTY, NEW MEXICO

1. Estimated tops of important geological markers:

Delaware	1,850'
Bone Springs	5,100'
Wolfcamp	8,600'
Canyon	9,800'
Strawn	10,000'
Atoka	10,500'
Morrow	10,900'

2. Estimated depths at which the top of anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered and the plan for protecting such resources:

Deepest F.W.	500'	Casing and Cement
Oil - Delaware	1,850'	Casing and Cement
Gas - Canyon	9,800'	Casing and Cement
Gas - Strawn	10,000'	Casing and Cement
Gas - Atoka	10,500'	Casing and Cement
Gas - Morrow	10,900'	Casing and Cement

3. Minimum specifications for pressure control equipment:

A. Wellhead Equipment:

A-Section 16"-8RD x 16-3/4"-3000psi
B-Section 16-3/4"-3000psi x 11"-3000psi
Tubing Head 11"-3000psi x 9"-5000psi
Tbg.Hd.Adp. 9"-5000psi x 2-9/16"-5000psi x 2-1/16"-5000psi
Tree 2-9/16"-5000psi x 2-1/16"-5000psi (for dual completion)

B. Blowout Preventers:

Refer to attached drawings and list of equipment. The SA BOP will be used on surface casing to approximately 2600'. The RRA will be used on intermediate casing from 2600' to 12,000'.

C. BOP Control Unit:

Unit will be hydraulically operated from a control unit, located at least 40 feet from the BOP stack.

D. Testing:

Refer to the attached "Equipment Testing and Crew Training Requirements."