

B. The estimated tops of geologic markers are as follows:

Seven Rivers	450'	Penn	9135'
Deleware	2350'	Strawn	9650'
1st Bone Springs Sand	5750'	Atoka	10000'
2nd Bone Springs Sand	6500'	Morrow	10200'
3rd Bone Springs Sand	7800'	Morrow Clastics	10600'
Wolfcamp	8250'	Barnett	10950'

C. The estimated depths at which anticipated water, oil, or gas are expected to be encountered:

Water: Possible surface water between 150'-400'.

Oil: Wolfcamp @ 8250'.

Gas: Strawn 9650'

D. Proposed Casing Program: See Form 9-331C.

E. Pressure Control Equipment: See Form 9-331C and Exhibit "D"

F. Mud Program: See Form 9-331C.

G. Auxiliary Equipment: Blowout preventors, mud gas separator, pit level monitor, flow sensor.

H. Testing and Coring Program:

Drill Stem Tests: One possible in the following zones:

Bone Springs	5750'
Wolfcamp	8250'
Strawn	9650'
Atoka	10000'
Morrow	10200'

Logging: Gamma-Ray Spectral Density
Dual Spaced Neutron - TD to surface
Gamma-Ray Dual Laterlog
Microguard - TD to Intermediate casing

I. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the weight.

J. Anticipated Starting Date: As soon as possible after BLM approval.

11. OPERATOR'S REPRESENTATIVE

The filed representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

W.H. Cravey
701 S. Cecil
Hobbs, New Mexico 88240

Phone: (505) 393-5905

Bill Pierce
701 S. Cecil
Hobbs, New Mexico 88240

Phone: (505) 393-5905