

**3160-5 Drilling Program
Yates Federal #16
Section 18 T-20-S R-29-E
Eddy County, New Mexico**

1. SURFACE FORMATION: Rustler

2. ESTIMATED FORMATION TOP:

	<u>Subsurface Depth</u>
Base Rustler	100' TVD
Top Yates	1100' TVD
Capitan	1200' TVD
Deleware	3250' TVD

3. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER OR OTHER
MINERAL BEARING ZONES ARE EXPECTED TO BE ENCOUNTERED:

Expected oil zones:	Yates 1100' Delaware Sand 3300'
Water may be encountered	Rustler 200' Capitan 1300'

4. CASING PROGRAM:

As per form 3160-3

5. PRESSURE CONTROL EQUIPMENT:

- A. After surface casing is set, a double ram-type blowout preventor with blind rams and pipe rams, with minimum working pressure of 3000 psi will be installed. The BOP is illustrated in Exhibit 1.
- B. A choke control, fill and kill lines with minimum working pressure of 3000 psi will be installed.
- C. The equipment in A and B will be pressure tested to 3000 psi before drilling surface pipe cement, and the BOP will be tested for operations daily and during trips.

6. MUD PROGRAM:

0-200'	Fresh Water Gel	9 lbs/g
200-1200'	Saturated Brine	10 lbs/g
1200-3700'	Fresh Water Gel System	9 lbs/g