DRILLING PROGRAM

COLLINS & WARE, INC. SHEEP DRAW FEDERAL # 7 660' FSL & 660' FWL, UNLTR M, Sec. 28, T22S, R26E EDDY COUNTY,NM

BLN The following information is filed in accordance with New Mexico Oil-Conservation Rules and Regulations:

1.SURFACE FORMATION: Quaternary

2.ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	1680 '
Cherry Canyon	2550 ′
Bone Springs	4950 ′

3.<u>ESTIMATED DEPTH TO FRESH WATER</u>: Possible fresh water 100'-300'

ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware (below 1700') No other formations are anticipated to give up commercial guantities of hydrocarbons.

The fresh water sands will be protected by setting 13 3/8" casing at 350'and circulating cement back to surface. First intermediate 8 5/8" casing will be set at 1650' and cement circulated back to surface. The 5 1/2" production string will be set at 5000' and cement circulated back to surface.

4. PROPOSED CASING AND CEMENTING PROGRAM:

Casing	Interval	Casing OD	WT.,Grade, Joint, Condition
Hole Size			54-5
17.5"	0-350'	13 3/8"	48-61 #, K-55, ST&C, New
11.0"	0-1650'	8.5/8"	24#, J-55, ST&C, New
7.875"	0-50501	5 1/2"	15.5#,K-55,LT&C,New

Cement: 13 3/8" Surface Csg.: Cemented with 400 sacks of Class "C" with 2% CaCl. Circulate cement.

8 5/8" First Intermediate : Cemented with 425 sacks of 50-50 Pozmix cement tailed in with 225 sacks of Class "C" with 2% CaCl. Cement to circulate.

5 1/2" Prod. Csg.: Cemented with 400 sacks of Lite cement tailed in with 250 sacks of Class "C" with 1% CaCl to circulate to surface.