

Exhibit E
Eight Point Compliance Program
KCS Medallion Resources, Inc.
7130 South Lewis Avenue, Suit 700
Tulsa, OK 74139-5489

Drilling Plan

Esperanza "28" No. 1
860 ft FSL & 1204 ft FEL
Sec. 28, T21S, R27E N. M. P. M.
Eddy Co. New Mexico

1. Estimated Tops of Geologic Markers

<u>Horizon</u>	<u>Depth</u>	<u>Sea Level Datum</u>
Surface	0	+3178
Yates	400	+2778
Capitan	700	+2478
Delaware	2850	+ 328
Bone Springs	5000	-1822
Wolfcamp	8700	-5522
Strawn	10000	-6822
Atoka	10625	-7447
Morrow	10900	-7722
Chester	11500	-8322
Total Depth	11600	-8422

2. Estimated Depths of Water, Oil or Minerals

A. Fresh Water

It is possible that fresh water zones could be encountered at depths up to 1100 to 1200 ft. Any zones encountered will be protected by the 13 5/8" casing set at 400 ft and by the 8 5/8" casing set at 3200 ft. Both strings of casing will be cemented to the surface.

B. Oil and Gas

Morrow gas is the primary objective of this well but it is possible that shows of gas or oil may be encountered in other zones. Potentially productive horizons, as indicated by samples and/or electric logs will be protected by 4 1/2" casing with cement up to at least 500 ft above the uppermost zone of interest.

2. The Operators Minimum Specifications for Pressure Control

- A. Exhibit F is a schematic diagram of the blowout prevention equipment. The annular BOP and rams will be hydraulically tested to 2750 psig (70% of the internal yield strength of the 8 5/8" 32 lb/ft. J55 casing) after nipping up and after any use under pressure. Annular and pipe rams will be operationally tested each 24 hr period and blind rams will be tested each time the drill pipe is