

8. Logging, Testing and Coring Program

- A. No Drillstem tests are planned at this time.
- B. The open hole electrical logging program will be as follows. Dual Induction, MSFL, Litho-Density, Compensated Neutron, Gamma Ray, Caliper from TVD.
- C. No coring program is planned.
- D. Additional testing will be initiated subsequent to setting the 7" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows, and Drillstem tests, if any.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at TVD is 140 degrees and maximum bottom hole pressure is 1800 psig. There is known presence of hydrogen sulfide gas associated with this area. A hydrogen sulfide operations plan will be implemented prior to drilling out from under the intermediate casing string (see attached "Hydrogen Sulfide Operations Plan"). Major loss circulation intervals have been encountered in adjacent wells in the Upper Penn zones.

10. Anticipated Starting Date and Duration of Operations

The Carlsbad, NM, BLM office has performed the onsite inspection for the proposed pad site of this location.

A cultural resources examination has been completed by Southern New Mexico Archaeological Services, Inc. and submitted to the BLM in January, 2002, as report number SNMAS-02NM-742. Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, this well will be drilled as part of a development project. The anticipated spud date for the project is in March, 2002. The drilling operation should require approximately 18 days.

Perforation, stimulation, and testing, if the well is deemed productive, will require a minimum of 15 days of completion operations to ascertain whether permanent production facilities will be constructed.