

DRILLING PROGRAM

Attached to Form 3160-3
Right Hand Canyon 34 Federal #4
SHL: 1820' FSL & 1650' FWL, Unit K
BHL: 1980' FSL & 2310' FWL, Unit K
Section 34-T21S-R24E
Eddy County, New Mexico

1. Geologic Name of Surface Formation

Quaternary Aeolian deposits

2. Estimated Tops of Important Geologic Markers

	TDV tops	Subsea
San Andres (limestone)		
Glorieta/Yeso (dolomite)	2,726'	1,294'
base of Yeso (dolomite)	3,382'	638'
Bone Spring (limestone)	3,382'	638'
1st Bone Spring Sand	4,020'	0'
2nd Bone Spring Sand	5,271'	-1,251'
3rd Bone Spring Sand	6,802'	-2,782'
Wolfcamp Shale	7,120'	-3,100'
Wolfcamp "Carbonate"	7,397'	-3,377'
Wolfcamp Lime Marker	7,532'	-3,512'
Cisco-Canyon	7,718'	-3,698'
Base Cisco-Canyon (dolomite)	8,420'	-4,400'
ETD	8,500'	

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas

The estimated depths at which water, oil and gas will be encountered are as follows.

Water: Capitan Reef at surface to 1600'

Oil: Glorieta, Yeso, Bone Spring

Gas: Wolfcamp, Cisco-Canyon

No other formations are expected to yield oil, gas or fresh water in measurable volumes.

The surface fresh water sands will be protected by the existing 13 3/8" casing at 207' and 8 5/8" casing at 2,784'. The oil and gas intervals will be isolated by setting 7" casing at TD and bringing cement top to approximately 6,500'.