BELCO PETROLEUM CORPORATION

James Ranch 14 Eddy Co., NM

DRILLING PROGRAM SUMMARY

- 1. 30" conductor is to be set prior to moving in the drilling rig.
- 2. Drill 26" hole to 600'+. Run 20" casing and cement to surface with 750 sxs light weight cement. Nipple up casing head and BOP's. Test casing to 600#.
- 3. Drill $17\frac{1}{2}$ " hole to $4000\frac{1}{4}$. (100' below last salt stringer). Cement 13-3/8", 61 & 68# casing with 2400 sxs Class C "Thickset', and tail in with 400 sxs Class C + $\frac{1}{4}$ #/sx Flocele. Run Texas Pattern Guide Shoe and a float collar. WOC 12 hrs.
- 4. NU casing spool and BOP's. Drill cement inside casing to float collar. Test casing to 1000#. Drill cement and 5' of formation. A 9-7/8" hole is to be drilled to next casing point.
- 5. Drill 9-7/8" hole to 8360'. Pull out of hole running multishot survey. Run gyro survey inside 13-3/8" casing & tie the two surveys together.
- 6. Kick off the well due South using a 2° bent sub and a mud motor. Build angle at the rate of $1\frac{1}{2}^{\circ}/100!$ to achieve a maximum angle of 19° 53'. Run a stiff BHA to maintain the angle from 9,660' to 10,550'. Start dropping the angle at the rate of $1\frac{1}{2}^{\circ}/100!$. The hole should be vertical by 11,800'.
- 7. Drill to 11950'+ or 50-100' into top of Lower Wolfcamp.
- 8. Run electric logs as recommended prior to running casing. Run a multishot survey & tie into the last survey.
- 9. Run 7", 29 & 32#, N-80 casing equipped with float shoe and float collar. Space out 20 centralizers on bottom 18 joints. Cement with 1500 sx Pozmix and tail in with 200 sxs Class C. Add retarder and other additives as per cement comparrecommendations.
- 10. Drill cement to float collar. Test casing to 3000#. Drill shoe and 10' of for mation. Test formation to 12.5 #/gal equivalent mud weight.
- 11. Drill 6" hole to 14500'<u>+</u>. Run logs as recommended. Prior to running casing run multishot survey from TD to last casing shoe depth.
- 12. If log evaluations indicate commercial quantities of Hydrocarbon, run 5" liner and hang the liner inside 7" using a mechanical liner hanger, 15' BPR and tie-1extension.
- 13. Cement liner using 400 sxs of Class C with additives as recommended. Pull 5 stands and reverse out excess cement.