

DRILLING PLAN
SQUAW FEDERAL #3
SECTION 1, T-23-S, R-25-E
EDDY COUNTY, NEW MEXICO

1. Estimated tops of important geological markers:

Delaware	1,400'
Bone Springs	4,820'
Wolfcamp	8,450'
Strawn	9,800'
Atoka	10,200'
Morrow	10,900'

2. Estimated depths at which the top of anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered and the plan for protecting such resources:

	<u>Depth</u>	<u>Protection</u>
Deepest F. W.	300'	Casing and Cement
Oil - Delaware	1,400'	Casing and Cement
Oil - Canyon	9,600'	Casing and Cement
Oil - Strawn	9,800'	Casing and Cement
Oil - Atoka	10,200'	Casing and Cement
Gas - Morrow	10,900'	Casing and Cement

3. Minimum specifications for pressure control equipment:

- A. Wellhead Equipment:
- | | |
|------------------|-----------------------------------|
| A-Section | 13-3/8-8RD x 13-5/8-3000 psi |
| B-Section | 13-5/8-3000 psi x 11-3000 psi |
| Tubing Head | 11-3000 psi x 7-1/16-5000 psi |
| Tbg. Hd. Adapter | 7-1/16-5000 psi x 2-1/16-5000 psi |
| Tree | 2-1/16-5000 psi |
- B. Blowout Preventers: Refer to attached drawings and list of equipment. The SA BOP will be used on surface casing to 2600'±. The RRA will be used on intermediate casing from 2600' to 11,600'.
- C. BOP Control Unit : Unit will be hydraulically operated from a control unit, located at least 40 feet from the BOP stack.
- D. Testing : Refer to the attached "Equipment Testing and Crew Training Requirements."

4. Supplementary drilling equipment information:

- A. Kelly Cocks : Upper and lower installed on Kelly.
- B. Safety Valve : Full opening ball type to fit each size and type drill pipe in use will be available on rig floor at all times.