

## ONSHORE OIL AND GAS ORDER NO. 1

Drilling Plan

CNG Producing Company  
 Sand Dunes Federal 28 #1  
 Sec. 28-23S-31E  
 1980' FSL & 1980' FEL  
 Eddy Co., New Mexico

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>SS</u>
Delaware Mtn	4,200	- 832
Bone Spring	8,000	- 4,632
Wolfcamp	11,500	- 8,132
Strawn-Atoka	13,200	- 9,832
James Rch (A-3)	13,400	-10,032
Atoka Bank Ls	13,500	-10,132
Poker Lake	14,200	-10,832
L. Morrow	14,900	-11,532
TD	15,100	-11,732

2. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

<u>Formation</u>	<u>Depth</u>	<u>Remarks</u>
James Rch Sd	13,400	Gas
Atoka Bank	13,500	Gas
Poker Lake	14,200	Gas

3. Operators Minimum Specifications for Pressure Control (See Exhibit "C")

- A. Surface - None
- B. Surface casing point to first intermediate at 4300'. Use a rotating head. A 6" panic line with a low pressure butterfly valve should be installed below the flowline.
- C. First intermediate casing point to 12,000'. Operator may have option to use equipment rated to 5000 psi. Otherwise see "D" below. Use a rotating head, a 5000 psi annular BOP, 5000 psi double BOP w/blind rams on bottom, 5000 psi drilling spool, 5000 psi single ram BOP, 5000 psi choke manifold, and a 5000 psi kill line, degasser, and a mud gas separator. (See attached well control schematic and specifications, Exhibit "C", p. 1 & 2.) PVT indicators should be installed prior to drilling out below 7" casing seat at 12,000'. Kick and blowout drills should be conducted once per week per tour. BOP's should be activated each day. Hole should be kept full at all times when tripping out for bit changes, DST's, logging, etc. Completely fill hole each five stands of drill pipe and each stand of drill collars.