

DRILLING PROGRAM

COLLINS & WARE, INC.
QUAHADA RIDGE "31" FEDERAL # 4
990' FSL & 330' FWL, UNL. TR M, Sec. 31, T22S, R29E
EDDY COUNTY, NM

The following information is filed in accordance with Bureau Of
Land Management Rules and Regulations:

1. SURFACE FORMATION: Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware 2930'
Cherry Canyon 3780'
Bone Springs 6440'

3. ESTIMATED DEPTH TO FRESH WATER:
Possible fresh water 100'-300'

ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware (below 2900')
No other formations are anticipated to give up commercial
quantities of hydrocarbons.

The fresh water sands will be protected by setting 13 3/8"
casing at 350' and circulating cement back to surface. First
intermediate 8 5/8" casing will be set at 2700' and cement
circulated back to surface. The 5 1/2" production string will be
set at 6600' and cement circulated back to surface.

4. PROPOSED CASING AND CEMENTING PROGRAM:

| Casing Hole Size | Interval | Casing OD | WT., Grade, Joint, Condition |
|---------------------|----------|-----------|--------------------------------|
| 17.5" | 0-350' | 13 3/8" | 54.5#, J-55, ST&C, New & Used |
| 11.0" | 0-2700' | 8.5/8" | 24# J-55, ST&C, New |
| 7.875" | 0-6600' | 5 1/2" | 15.5#, J-55, LT&C, New |

[1600' - 24#; 1100' - 32#]

Cement:

13 3/8" Surface Csg.: Cemented with 475 sacks of Class "C"
with 2% CaCl. Circulate cement.

8 5/8" First Intermediate : Cemented with 600 sacks of 50-50
Pozmix cement tailed in with 225 sacks of Class "C" with 2%
CaCl. Cement to circulate.

5 1/2" Prod. Csg.: Cement 1st stage with 500 sacks of 50/50 POZ 'H' cement,
w/ DV tool @ 4200' +/- Cement 2nd stage with 400 sacks of 50/50 POZ 'H'; tie
back 500' into Intermediate.