

MARALO LLC.

GOLD RUSH "30" FEDERAL # 6

UNIT "A" SECTION 30

T23S-R30E EDDY CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual Induction, CNL-LDT-Gamma Ray, Caliper from TD to 3100', Gamma Ray CNL from 3100' to surface.
- B. Two man mud logging unit on hole from 3100' to TD, no DST's are planned.
- C. Side wall cores may be taken as shows dictate.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4050 PSI, estimated BHT 165°.

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 28 days. If production casing is run an additional 30 days to complete and construct surface facility and place well on production.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Brushy Canyon pay will be perforated and stimulated. The well will be swab tested and potentialized as an Oil well.