

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 1990 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 4000'-4400'. No H₂S is anticipated.

Estimated BHT is 116° F.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

10 days drilling operations

10 days completion operations

SLA

August 17, 2000