POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3476 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3855-7684'. No H_sS is anticipated.

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

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Upon approval

12 days drilling operations

10 days completion operations

WRD/tlw February 27, 2001