

B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Testing, Logging and Coring Program:

Energex will cut rotary sidewall cores in the Delaware formation from between 1550' to 4450'. Then, a cement bond log will be run after the production string is cemented.

9. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated.

Loss of circulation is possible in the Delaware section of the hole, however, no major loss circulation zones have been reported in offsetting wells.

To date, Hydrogen Sulfide has not been encountered in the area. However, if Hydrogen Sulfide is encountered, a Hydrogen Sulfide alarm on the drilling rig would be activated. All personnel have had Hydrogen Sulfide training and appropriate breathing apparatus is located on site. If necessary, the well can be shut in utilizing the blow out preventer and other equipment to prevent the migration of Hydrogen Sulfide to the surface.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is as soon as possible upon approval. Once commenced, the drilling operation should be finished in approximately 10-14 days. If the well is productive, an additional 15-20 days will be required for completion and testing before a decision is made to install permanent facilities.

11. Energex Company requests a change in the well name from Meander "11" Federal #1 to ShearnWest Federal #1.