

Exxon Corporation #1 Warfield Federal  
 Section 30, T26S, R25E  
 Eddy County, New Mexico  
 Federal Lease No. NM-19425  
 Development Drilling

1. The geologic name of the surface formation is: Quaternary.
2. The estimated tops of important geologic markers are:

Rustler	1190'
Salado	1200'
Castile	1360'
Bell Canyon	2049'
Cherry Canyon	2540'
Brushy Canyon	3490'
Bone Springs	5010'
Wolfcamp	8490'
Penn	9160'
Derry	9630'
Morrow Clastics	10580'

3. The estimated depths at which anticipated water, oil, gas or other mineral bearing strata are expected to be encountered are:

Water - Surface water above 400'

Gas and Oil - Wolfcamp, Penn, Derry and Morrow are all possible hydrocarbon bearing zones.

4. The proposed casing program including size, grade, and weight per foot of each string (and whether new or used) is as follows:

<u>String</u>	<u>Size/Weight/Grade</u>	<u>Condition</u>	<u>Depth Interval</u>
Conductor	20" 94/H-40/STC	New	0- 30
Surface	13 3/8 48/K-55/STC	New	0- 400
Intermediate*	8 5/8 32/K-55/STC	New or 2nd C1	0- 5200
Production*	5 1/2 17/N-80/LTC	New or 2nd C1	0- 1000
	5 1/2 17/K-55/LTC	New or 2nd C1	1000- 2900
	5 1/2 15.5/K-55/STC	New or 2nd C1	2900- 5600
	5 1/2 17/K-55/STC	New or 2nd C1	5600- 7400
	5 1/2 17/N-80/LTC	New or 2nd C1	7400-10200
	5 1/2 20/N-80/LTC	New or 2nd C1	10200-11400

\*Casing string run will be at least as strong as string shown. Actual pipe run may be different depending on casing available at time.

5. Exxon's minimum specifications for pressure control equipment is as follows:

A. Casinghead equipment:

"A" Section: Flanged type 3000 psi WP for 13 3/8" x 8 5/8" casing program.