

ANTICIPATED WATER, OIL, GAS, AND  
MINERAL BEARING FORMATIONS

WELL: Salt Mountain 25 Fed. Well No. 3  
LOCATION: 1750' FNL & 2045' FEL, Sec. 25, T-26-S, R-29-E  
COUNTY: Eddy STATE: New Mexico  
ELEVATION: 2971' PROPOSED TD: 5300'

FORMATION TOPS

<u>Depth</u>	<u>Formation</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>	<u>Minerals</u>
0'	Rustler			X	
1240'	T-Salt			X	
2340'	Bell Canyon			X	
3045'	Lamar			X	
3090'	Ramsey			X	
3150'	Olds			X	
5120'	Cherry Canyon	X	X		
5205'	Brushy Canyon	X	X		

No intervals will be cored.

GR-CAL-CNL-FDC and GR-DLL-MSFL surveys will be run.

No abnormal pressures, temperatures or hazardous gases are anticipated to be encountered in this well.

MUD PROGRAM

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT</u>
0-500'	Spud Mud	8.4-8.8
500-3000'	Brine Water	10.0
3000-TD	Cut Brine	9.0-9.6

Blowout Preventer will be installed after surface pipe is set at 500'. BOP will be tested each time it is installed on a casing string and at least once each 24-hour period during drilling.