

Page 3

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3174 psi max of MWE of 8.4 ppg is expected. Lost circulation may exist in the Delaware section from 5600-7327'. No H₂S 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

Upon approval

12 days drilling operations

10 days completion operations

JDL/tlw

June 18, 2001