SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION Rugged Federal #8 SW/4NE/4 Sec. 23-5S-21E Chaves County, N.M.

NM 36188

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

- 1. SURFACE FORMATION: San Andres
- 2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yeso - 684
Tubb - 2386'
Abo - 3086'

- 3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

 Fresh water In surface formations above 600'

 Gas In Abo formation below 3086'
- 4. PROPOSED CASING PROGRAM: See Form 9-331C
- 5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000 #WP. A sketch of the BOP is attached.
- 6. CIRCULATING MEDIUM:
 - 0'- 700' Lime and gel, spud mud, viscosity 32 to 34 seconds.

 700'- 2986 Fresh water
 2986'- TD Start mudding up at 2986'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

Mud additives will be used to control water loss.

7. AUXILIARY EQUIPMENT: full-opening drill string safety valve fit the drill string in use, will be kept on the rig floor at all times.