

Hanley Petroleum Inc.

Union 35 Federal Well #6
660' FSL & 660' FWL
Section 35, Township 22-S, Range 28-E
Eddy County, New Mexico

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

No abnormal pressures or temperatures are anticipated. The anticipated bottom hole temperature (BHT) at TD is 135°F and estimated maximum bottom-hole pressure (BHP) is 2250 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

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 starting date is May 31, 1993. Once commenced, the drilling operation should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required before a decision is made to install permanent facilities.