

DRILLING PROGRAM

Sterling Silver "33" Fed. No.9

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

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature is 135 °F and the estimated bottom hole pressure is 3500 psi. 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 lost circulation zones have been reported in the 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 spud date is February 1, 1994. Once spudded, the drilling operation should be completed in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.