

TEN POINT PROGRAM

PETROLEUM ENERGY, INC. - BARBARA KAY I
Section 20, T-27-N, R-19-W
San Juan County, New Mexico

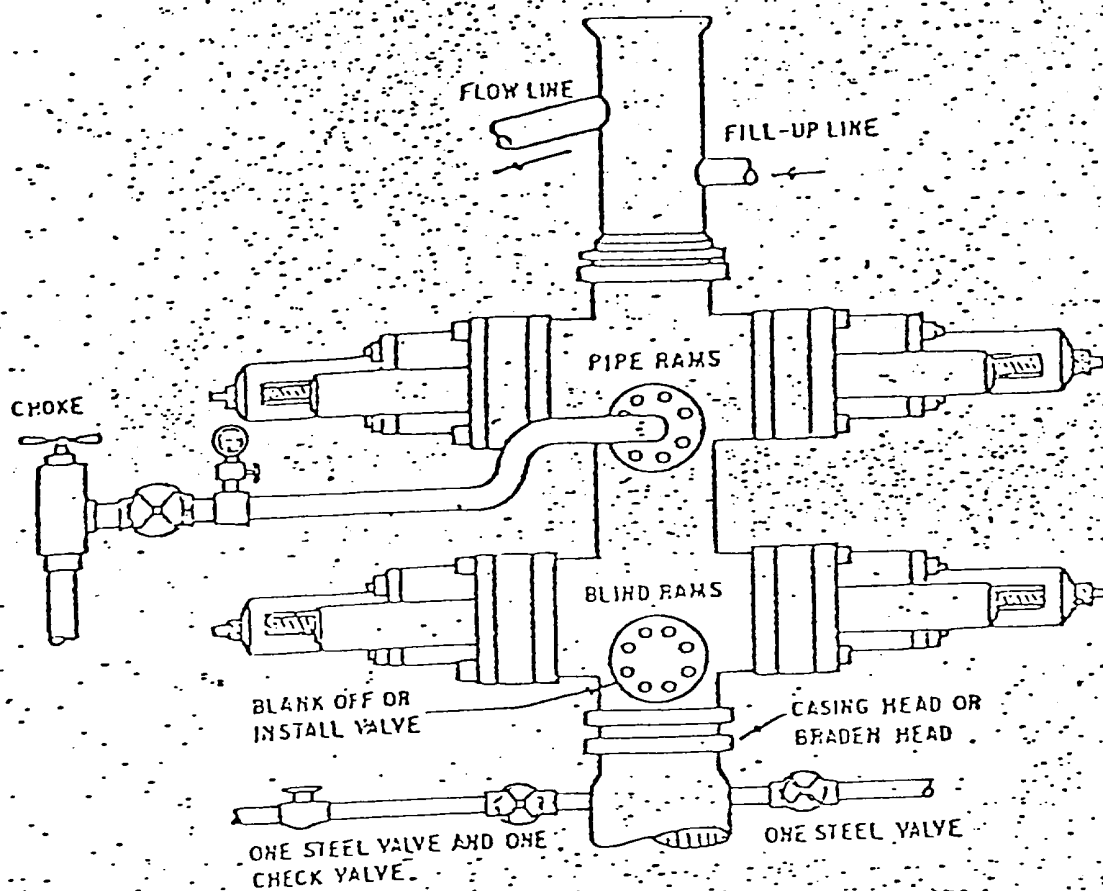
1. The Mancos Formation is on the surface.
2. Tops of formations are:

Entrada 1270	Hermosa 4946
De Chelly 2920	Barker Creek 5528
Organ Rock 3558	Mississippian massive 5810

3. The estimated depths at which anticipated water, oil or gas may be encountered are: Organ Rock - 3524' (helium) and Mississippian - 5800' (helium).
4. Casing design:

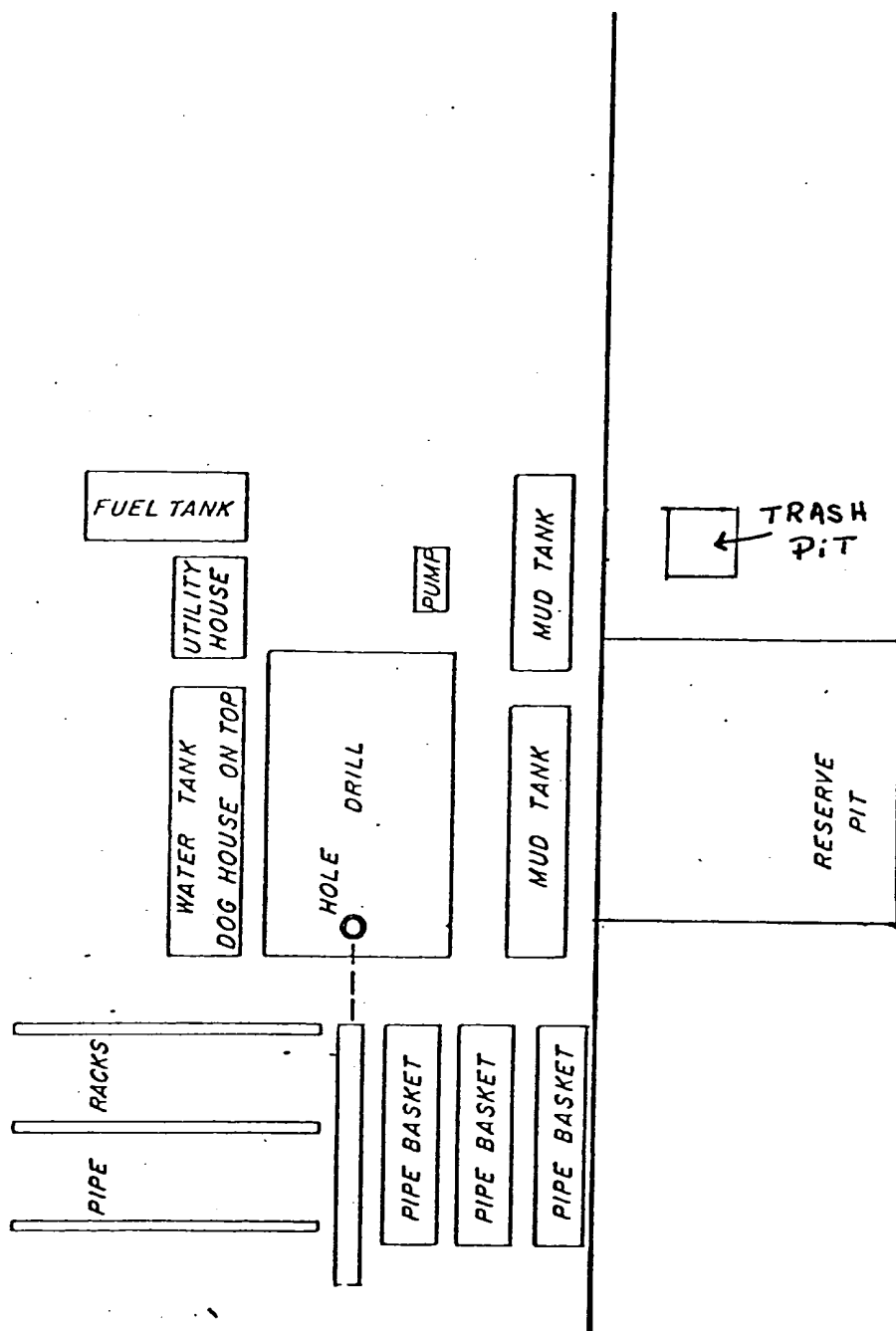
<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CSG. SIZE</u>	<u>WT.</u>	<u>GRADE</u>	<u>NOTE</u>
16"	154	13-3/8"	NA	NA	Existing in well
10-3/4"	1225	8-5/8"	NA	NA	Existing in well
6-3/4"	6000	4-1/2"	10.5	K-55	New
13-3/8" casing set in Jan, 1975 by previous operator at 154' with 140 sx.					
8-5/8" casing set in Jan, 1975 by previous operator at 1225' with 600 sx.					
4-1/2' casing will be set by Petroleum Energy, Inc. at 6000' with 200 sx. neat cement.					

5. Attached is a schematic diagram of the Series 900 pressure control equipment to be used on subject well. Pressure test on installation, and test pipe rams daily and blind rams each trip.
6. Circulation medium will be water and gel-chem mud, about 9.5 weight, 30-45 viscosity, 7-10 water loss. Sufficient mud materials to maintain daily mud requirements, and to handle minor loss circulation and blowout problems shall be maintained at the well site.
7. A full opening valve to fit the drill string will be on the floor at all times, Kelly cocks will be installed in the kelly. Floats at the bit will not be used, and monitoring of the mud system will be visual unless otherwise specified.
8. Logging program will consist of a cased hole log for correlation determination. There will be no cores or DST's.
9. There are no anticipated abnormal pressures, temperatures or other potential hazards, including H₂S.
10. The anticipated starting date is July 15, 1980, and the expected duration of operations is 30 days.



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- ONE DOUBLE GATE BLOWOUT PREVENTER WITH LOWER RAMS BLIND AND UPPER RAMS FOR PIPE, ALL HYDRAULICALLY CONTROLLED. OPENING OR PREVENTERS BETWEEN RAMS.
- OPENING TO BE FLANGED, STUDDED OR CLAMPED AND AT LEAST TWO INCHES DIAMETER.
- ALL CONNECTIONS FROM OPERATING HANIFOLD TO PREVENTERS TO BE ALL STEEL HOSE OR TUBE A MINIMUM OF ONE INCH IN DIAMETER.
- THE AVAILABLE CLOSING PRESSURE SHALL BE AT LEAST 15% IN EXCESS OF THAT REQUIRED WITH SUFFICIENT VOLUME TO OPERATE THE PREVENTERS.
- ALL CONNECTIONS TO AND FROM PREVENTERS TO HAVE A PRESSURE RATING EQUIVALENT TO THAT OF THE B.O.P.
- MANUAL CONTROLS TO BE INSTALLED BEFORE DRILLING CEMENT PLUG.
- VALVE TO CONTROL FLOW THROUGH DRILL PIPE TO BE LOCATED ON RIG FLOOR.
- CHOKE MAY BE EITHER POSITIVE OR ADJUSTABLE.
- A choke spool may be used between preventers.

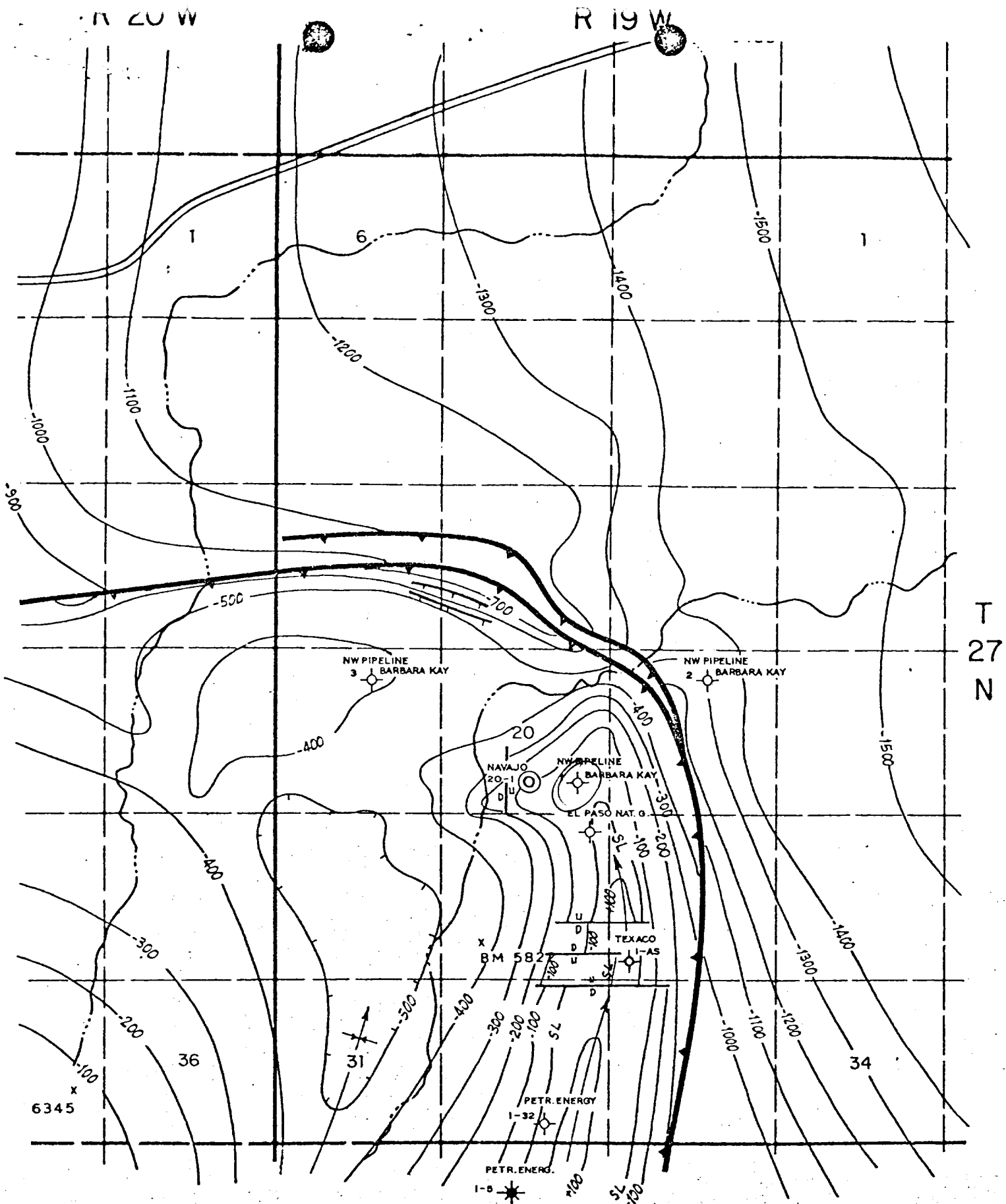


ROAD Access →

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PETROLEUM ENERGY - BARBARA KAY I
 Section 20, T27N - R19W
 San Juan County, New Mexico
 Scale: 1"=30'

FIGURE VI



PETROLEUM ENERGY, INC.
 BEAUTIFUL MTN.
 SAN JUAN CO., NEW MEX.
 STRUCTURE TOP MISSISSIPPIAN
 C.I. = 100'

FIGURE III