

AMERISTATE EXPLORATION, L.L.C.
MIDNIGHT 13 STATE COM NO. 1

Eddy County, New Mexico

30-015-34027

RE-ENTRY AND DEEPENING PROCEDURE

1. Prepare existing pad for Nabors Rig No. 56.
2. Drill rathole and mousehole.
3. Move in and rig up Nabors Rig No. 56 with closed loop tanks.
4. Nipple up and test blow out preventer equipment with rotating head and underbalanced drilling equipment.
5. Pick up 6-1/8" bit, 4-3/4" bottom hole assembly and run in hole on 3-1/2" rental drill pipe.
6. Drill out cement and float equipment +10' new formation. Test casing shoe to 12.5 ppg EMW.
7. Drill 6-1/8" hole to 7000' or total depth as specified by geologist.
8. Condition hole for logging.
9. Run open hole logs as specified by geological department.
10. Run completion casing/equipment as specified by production department.