

DRILLING PROGRAM

WELL: Bandaid Federal #1
FIELD: Indian Basin
CATEGORY: Development
STATE: New Mexico
COUNTY: Eddy
LOCATION: 1294' FNL & 2063' FWL, Sec. 5, T22S, R24E
OBJECTIVE FORMATION(S): Cisco
ELEVATION (G.L.): 4206'

1. The Geologic Surface Formation is the Queen.

2. Estimated Formation Tops:

Grayburg-----	452'
San Andres-----	1079'
Lovington-----	1314'
Glorietta-----	2584'
Yeso-----	2764'
3rd Bone Spring Sands---	6942'
Wolfcamp Shale-----	7126'
Wolfcamp-----	7326'
Cisco-----	7678'
T.D.-----	7750'

Possible Drilling Problems:

Lost circulation is likely, especially in the surface and intermediate sections and also in the lower Cisco.

Estimated Time to Drill and Evaluate: 27 days

Hole Size:

0' - 350' -----	17 1/2"
350' - 2500'-----	12 1/4"
2500' - T.D. -----	8 3/4"

3. Estimated Depth at Which Water, Oil or Gas are Expected to be Encountered:

Water: 350', Glorietta, 2584'
Gas, Oil: Cisco, 7678'