

Eland Energy, Inc.
Federal 1 X #3
695' FSL & 745' FWL
Sec. 3, T. 9 S., R. 26 E.
Chaves County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Ogallala	000'	12'	+3,844'
San Andres	1,040'	1,052'	+2,804'
Abo	4,415'	4,427'	-571'
Wolfcamp (Spear)	5,455'	5,467'	-1,611'
Ordovician	6,100'	6,112'	-2,256'
Precambrian	6,355'	6,367'	-2,511'
Total Depth (TD)*	6,360'	6,872'	-2,516'

* all elevations reflect the ungraded ground level of 3,844'

2. NOTABLE ZONES

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Mineral Zones</u>
Abo	Ogallala	N/A
Wolf Camp		
Ordovician		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" x 3,000 psi model is on PAGE 3. A double ram BOP system with a choke manifold and mud cross will be tested to 200 psi and then to 2,000 psi after the surface casing is set and