

DRILLING PROGRAM

Enron Oil & Gas Company
James Ranch Unit, Well No. 38
2180' FSL & 430' FEL
Sec. 1, T23S, R30E
Eddy County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Rustler	200'
Salado	500'
Base Salt	3570'
Top Delaware	3800'
Top Bone Spring	7650'
Top 1st Bone Spring Sand	8640'
Top 2nd Bone Spring Sand	9350'
Top 3rd Bone Spring Sand	10500'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	Above 200'	Fresh Water
Delaware	3800'	Oil
Bone Spring	7650'	Oil and Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 11-3/4" casing at 600' and circulating cement back to surface, and 8-5/8" casing will be set at 3900' with cement circulating back to surface.