SUPPLEMENTAL DRILLING DATA

LAYTON ENTERPRISES, INC. No. 2 El Zorro "G" Federal SW¼ NW¼ Sec. 1 ,T9S, R36E Lea County, N.M.

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

- 1. SURFACE FORMATION: Tertiary
- 2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite 2270' Yates 2830' San Andres 4000'	Glorieta Abo Wolfcamp Bough C	5520' 7730' 8270' 9630'
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3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:

0 - 300'	-	Fresh Water
4080'	-	Oil in San Andres formation
9630'	-	Oil in Bough formation

4. PROPOSED CASING PROGRAM:

13-3/8"	Casing	-	54.5#, H-40, ST&C, cemented at 350'± with sufficient Class C to circulate.
8-5/8"	Casing	-	32#, H-40, ST&C, cemented at 4150'± with 1100 sx HL + 200 sx Class C to circulate.
5-1/2"	Casing	-	12,500' - 20#, N-80 and 23#, N-80, LT&C Cemented with 2000 sx.

Equivalent or better grades and weights of casing may be substituted. Additional cement may be used as appropriate.

5. PRESSURE CONTROL EQUIPMENT: The blowout preventer equipment will consist of 3000#WP double-ram preventers and choke manifold and 3000#WP annular type preventer. A sketch of the BOP stack is attached.

6. CIRCULATING MEDIUM:

- 0 350': Fresh Water mud
- 350' 4000': Brine mud with additives necessary to control viscosity to 28-34 Sec. and weight to 9.6-10.1#/Gal.
- 4000' 9500': Brine mud with additives to control viscosity to 28-34 Sec. and weight to 9.4-9.7#/Gal. with minimum water loss.
- 9500' TD: Brine base mud with weight of 9.0-9.3#/Gal. to minimize pressure on production zone.
- 7. <u>AUXILIARY EQUIPMENT</u>: Safety value to fit the drill pipe in use will be kept on the rig floor at all times.
- 8. TESTING, LOGGING AND CORING PROGRAM:
 - DST: Drill stem tests will be made when samples, drilling time or other data indicate a test is warranted.
 - Logging: Logs will include GR-CNL, FDC and DLL logs as determined by well-site geologist.

Coring: None planned

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated.

Bottom hole pressure estimated to be 4650 psi based on Layton Enterprises, Inc. El Zorro H Federal No. 1 well located 3/4 mile east.

10. ANTICIPATED STARTING DATE: Work will start as soon as the Application is approved and will continue for about 60 days.

EXHIBIT "D"

LAYTON ENTERPRISES, INC. NO. 2 EL ZORRO G FEDERAL SW¼ NW¼ SEC. 1, T9S, R36E Lea County, N.M.

