

Bliss Petroleum, Inc.  
PB Federal No. 1  
660' FNL & 660' FWL (Unit D), Section 31, T8S, R38E  
Roosevelt County, New Mexico - Federal Lease NM 15332

1. Surface Formation: Sand and quarternary alluvium
2. Estimated Tops of Geological Markers:

Top Sand Andres	4150'
Top Glorieta	5550'
Top Tubb	6850'
Top Bough "C"	9450'
3. Estimated Depth of Mineral - Bearing Formations: San Andres - 156' ss oil & gas  
Bough "C" Limestone-5456' ss oil & gas
4. Blowout Preventer: Two (2) Cameron QRC 10" X 5000# Hydraulic w/ 2" Flanged double valved and double choked manifold & 80 gal. Koomey air pump closing unit.
5. Mud Program: 0-420' fresh water gel and native spud mud. From 420' - 4200' drill w/ 32 to 34 viscosity native mud w/ saturated brine water added at 1600' to prevent washing out salt section. From 4200' - 6800' use 10.0 - 10.2 Mud wt., Vis. 38-43. Mud up at 6800' w/ salt gel. & 6%-8% oil to obtain 38-40 vis. & to drill the Abo Section. Lower water loss to 12 cc at 8500' to TD.
6. Auxiliary Equipment: Kelly valve, safety sub w/ full opening valve & drill pipe float valve.
7. Logging and Testing: Will run Gamma Ray - Neutron from surface to TD. One DST will be run on the Bough "C" pay zone.
8. Anticipated Pressure and Potential Hazzards: The Faskin No. 1 Green one half mile to the North in Sec. 30-8S-38E indicates that the maximum bottom hole pressure will be less than 2900 psig. No potential hazard was encountered when this well was drilled; thus, we do not expect any with the PB Federal No. 1
9. Starting Date and Duration: The starting date is October 5, 1981. We will use Verna Corp., Rig No. 10 to drill the well. Operations are expected to be complete in 32 days.