

PALOMA RESOURCES, INC.

Peery Fed. #1

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5. Mud Program & Auxiliary Equipment:

Brine water will be used from the onset of drilling. This well is currently cased down to the depth of 2942'. Brine water will be used to drill out cement plugs set in place when the well was plugged. Sufficient mud materials to maintain well control or loss of circulation will be available at the rig at all times. Mud properties will be checked hourly by rig personnel and recorded on the daily reports.

6. Evaluation Program:

No samples will be caught, as they were caught when originally drilled. No additional electric logs will be run, nor are any cores or drill stem tests planned during the re-entry of this well.

7. Abnormal Conditions:

No abnormal pressures, or H₂S are anticipated. Maximum pressure anticipated will be ~~4472~~²⁵⁰⁰ which is easily contained by 10# brine. No lost circulation will be encountered, as the well is currently cased.

8. Anticipated Starting Date:

Plans are to start drilling and re-entering this well as soon as possible upon approval of this permit. It should take approximately 15 days to re-enter the well with another 10 days expected to complete or plug the well.