

DRILLING PROGRAM

Fat Nose "27" Fed #1

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will prevent fluid entry due to the reservoir being overbalanced. We will have monitors operational during the drilling of the Yates/Seven Rivers/San Andres zones. Due to the remote location of this drillsite, H₂S warning signs will be placed prior to entry of the drillsite, a public protection plan is not required for this location.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the B.L.M. The anticipated spud date is August 1, 1996. Once spudded, the drilling operation should be completed in approximately 10 days. If the well is productive, an additional 20 days will be required for completion and testing before permanent facilities are installed.

