

DRILLING PLAN
To Accompany
APPLICATION FOR PERMIT TO DRILL

HANSON OPERATING COMPANY
MAC FEDERAL WELL #1
2310 FNL, 1650 FWL, SEC.7, T9S, R30E NMPM
Chaves County, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Hanson Operating Corporation submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. Estimated Tops of Geologic Markers

The surface geologic formation is Quaternary Alluvium and Bolson deposits, overlying undifferentiated sandstones and redbeds of the Triassic Formation; the estimated tops of geologic markers are as follows:

FORMATION	DEPTH	SUBSEA
Land Surface	0	4078
Triassic	5	4073
Rustler Anhydrite	900	3178
Top of Salt	928	3150
Base of Salt	1378	2700
Yates	1398	2680
Queen	2038	2040
San Andres	2568	1510

2. The estimated depths at which water, oil, or gas formations are expected to be encountered:

A. Fresh Water

Is not anticipated to be encountered; it may occur within the Dockum group overlying the salt. It will be protected with 8-5/8" casing set at 900 feet (top of Rustler) and cemented to surface, as per NMOCC regulations.

