

EXHIBIT "F"

RAND PAULSON OIL COMPANY, INC.
NICHOLAS 31 FEDERAL NO. 1
LEA COUNTY, NEW MEXICO

DRILLING PROGNOSIS

ELEVATION: GL 4042'

LOCATION: 2090' FNL; 660' FEL; Section 31; T-14-S; R-35-E.

DIRECTIONS: From Lovington, NM, go North on CR 103 8 miles. Turn West on CR 108 for 6 miles. Turn South on Gravel road 1.5 miles. Turn East through CG. Follow road to Location. Norton Drilling rig.

CASING:

Surface: 450' of 13 3/8" 54.5 lbs. J-55 STC Csg. TP Shoe, Baffle Plate, Stop Ring and 6 Centralizers.

Intermediate: 4000' 8 5/8" 32 lbs. K-55 STC Csg. **Stage Cementing Collar @ 4000'.**
2200' 8 5/8" 32 lbs. HCK-55 or S-80 STC Csg. Guide Shoe, Float Collar, Stop Ring, 6 Centralizers.

Production: 1,100' 5 1/2" 17 lbs S-95 LTC R-3 Csg.
10,700' 5 1/2" 17 lbs N-80 LTC R-3 Csg.
Stage Cementing Collar @ 9000'.
700' 5 1/2" 17 lbs S-95 LTC R-3 Csg.

CEMENTING:

SURFACE: 450 sx Class C + 2% CaCl₂ mixed @ 14.8 #/gal;
1.32 ft³/sk; 6.32 gals wtr/sk..

Intermediate: Stage 1: Class C + 3% Sodium Metasilicate + 3# salt/sk + 1/4 lb/sk
Celloflakes mixed @ 11.5 lbs/sk; 2.77 ft³/sk.
200 sx Class C Neat mixed @ 14.8 lbs/gal; 1.32 ft³/sk.
Stage Cementing Collar @ ± 4000'.

Stage 2: Same as Stage 1.

*Volume to be determined from Fluid Caliper. Circulate to Surface.

Production: Stage 1: Class H: Pozzalan 50:50 w/additives. 14.6 #/gal; 1.27 ft³/sk.
Stage Cementing Collar @ 9000'
Stage 2: Class H: Pozzalan 65:35 w/additives. 12.0 #/gal; 2.27 ft³/sk.
Class H Neat

*Volumes to be determined from Caliper Log. TOC 6000'.

BITS: Contractor's choice - Norton Drlg Co. 17 1/2"; 11"; 7 7/8".