



Carbon Energy Corporation
Bonneville Fuels Corporation
CEC Resources Ltd.

SALBAR 'ATQ' STATE #1-16
2456' FNL & 1023' FWL
Section 16, T16S, R36E,
Lea County, New Mexico

SALBAR 'ATQ' STATE #1-16 OPERATIONAL PLAN:
SET 5-1/2" CASING TO 12,730' T.D.
CEMENT 5-1/2" CASING INTO INTERMEDIATE CASING @ 4,275'.

The Salbar well has reached TD & Yates Petroleum has elected to plug the well. Bonneville Fuels Corporation (BFC: State of New Mexico Operator No. 31852) was a 50% Working Interest owner in the well and does now elect to assume all liability and control over this well. This is BFC's right under its Joint Operating Agreement with Yates, and as is BFC's right as a 100% working interest owner in the Mineral Lease in the north half of section 16 on which the subject well is located.

1. Circulate & condition the hole at TD @ 12,730' until clearance to continue operations is received from the City of Lovington or until direction to proceed is stipulated by the NMOCD.
2. Receive 5-1/2" casing with 6 thread-locked joints and order on rack per running procedure below. Sand blast pipe from 10,000' to TD & 30' on either side of the stage tool. Receive Halliburton Float & Guide Equipment & inspect same.
3. Hold safety meeting & rig up lay down machine. Mix a 10.2 PPG pill and pump same. Pull out of hole & lay down drill string. Fill the hole every 15 joints after the pipe comes dry. Monitor for fill-up. Remove the wear bushing & install 5-1/2" casing rams.
4. Hold safety meeting & rig up casing crew. Order and Run Production Casing as follows:
 - 5-1/2" 17# S-95 LT&C 8rd. Float Shoe.
 - 2 Joints: 5-1/2" 17# S-95 LT&C 8rd. Casing w/ Thread-Locked Couplings.
 - 5-1/2" 17# S-95 LT&C 8 rd. Float Collar.
 - 5-1/2" 17# S-95 LT&C 8rd. Casing to 12,000'.
 - 5-1/2" 17# N-80 LT&C 8rd. Casing to 9300'.
 - 1 Joint: 5-1/2" 17# L-80 LT&C 8rd. Casing w/ Thread-Locked Coupling.
 - 5-1/2" 17# L-80 LT&C 8rd. Halliburton Stage Cementing Collar.
 - 1 Joint: 5-1/2" 17# L-80 LT&C 8rd. Casing w/ Thread-Locked Coupling.
 - 5-1/2" 17# N-80 or L-80 LT&C 8rd. Casing to 8,300'.
 - 5-1/2" 17# L-80 LT&C 8rd. Casing from 8,300' to surface.

Use API Modified Thread Compound on all connections.

Use Baker-Lok on all Thread Locked connections.

PLAN ALL MAKE-UP TORQUES TO RECOMMENDED OPTIMUM TORQUE:

All Torques in Ft.-Lb. Of Torque:		MIN.	OPT	MAX
Recommended Torque:	API Modified:			
5-1/2" 17# S-95 LTC 8rd.		3020	4020	5030
5-1/2" 17# N-80 LTC 8rd.		2610	3480	4350
5-1/2" 17# L-80 LTC 8rd.		2560	3410	4260
Recommended Torque:	Baker-Lok:			
5-1/2" 17# S-95 LTC 8rd.		5440	6440	8000
5-1/2" 17# N-80 LTC 8rd.		4180	5570	6900
5-1/2" 17# L-80 LTC 8rd.		4100	5460	6800

Fill the casing as necessary and at 2,000' intervals to 10,000'.

Circulate the casing after the float & guide shoe are installed, after the Stage

Cementing

Collar is installed and at 4,275'.

Circulate & condition the hole for cementing after the casing reaches bottom.