DRILLING PROGRAM

TEXMACK '31' FEDERAL COM WELL No. 1

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

Formation	Depth	Lithology	Fluid Content
Rustler	1314'	Anhy, Salt	----
Yates	2569'	Anhy	----
Queen	3414'	Ss, Dolomite	Oil
San Andres	4207'	Dolo, Limestone	----
Glorieta	5679'	Dolomite	----
Tubb	6862'	Sandstone	----
Abo	7403'	Dolomite	----
Wolfcamp Limestone	8939'	Limestone	Oil
Strawn	11054'	Limestone	Gas
Atoka	11455'	Sandstone	Gas
Morrow Limestone	11709'	Limestone	----
Morrow Sand	12730'	Sandstone	Gas
Chester	12580'	Sandstone	----
Total Depth:	12750'		

The base of the salt section is the top of the Yates at 2569'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

H2S in the San Andres formation is possible. H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit D). It will be installed after intermediate casing is set at 4500'. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24 hour period during drilling.