

MURPHY OPERATING CORPORATION  
 PETROLEUM DEVELOPMENT CORPORATION  
 ROBERTS-McKAY #1  
 1980' FNL & 1980' FEL of SEC. 11, T-19S, R-32E  
 LEA COUNTY, NEW MEXICO

1. The geologic name of the surface information is Triassic red beds overlain by wind blown sands.

2. The estimated tops of important geologic markers are as follows:

|                  |       |
|------------------|-------|
| Top Rustler      | 1378' |
| Top Salado       | 2322' |
| Base Salado      | 2964' |
| Top Yates        | 3038' |
| Top Seven Rivers | 3595' |
| Top Queen        | 4077' |
| Grayburg         | 4640' |
| San Andres       | 4950' |
| Delaware         | 5826' |
| Bone Spring      | 7418' |

3. The estimated depth at which anticipated water, oil, gas or other mineral bearing formations will be encountered are as follows:

|              |       |             |
|--------------|-------|-------------|
| Top Salado   | 2322' | salt        |
| Base Salado  | 2964' | salt        |
| Yates        | 3038' | oil and gas |
| Seven Rivers | 3595' | oil and gas |
| Queen        | 4077' | oil and gas |
| Penrose      | 4345' | oil and gas |
| Grayburg     | 4640' | oil and gas |
| Delaware     | 5826' | oil and gas |
| Bone Spring  | 7418' | oil and gas |

4. The proposed casing program is as follows:

|               |          |         |                             |                |
|---------------|----------|---------|-----------------------------|----------------|
| Surface:      | Existing | 13-3/8" | 48#/ft.                     | 0' - 406'      |
| Intermediate: | Existing | 8-5/8"  | 24#/ft. & 32#/ft. ST&C J-55 | 0' - 4370'     |
| Production:   | New      | 4-1/2"  | 11.6#/ft. ST&C J-55         | 0' - 5050'     |
|               | Existing | 4-1/2"  | 11.6#/ft.                   | 5050' - 13650' |

5. Two Ram - Type blowout preventers. See Exhibit "D".

6. The proposed mud program is as follows:

0 - 10652' fresh water                      9.0 - 10.0 lbs./gal.

7. The auxiliary equipment to be used is:

- a. Kelly cocks.
- b. Stabbing valve on rig floor with sub to fit drill pipe.

8. Existing open hole logs will be utilized. A cased hole correlation log will be run for perforating purposes.

9. No abnormal pressures or temperatures are expected to be encountered in this well.

10. The anticipated starting date for this well is August 1, 1986. Estimated duration of drilling operations is 4 to 5 days.