

SUN OIL COMPANY (DELAWARE)

SHEARN "A" FEDERAL NO. 1

NEW MEXICO LEASE # 063530

LEA COUNTY, N.M.

1. GEOLOGIC NAME OF SURFACE FORMATION: "QUATERNARY"

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

| | |
|---------|------------|
| Rustler | 1300± Feet |
| Yates | 2937± Feet |

3. ANTICIPATED HYDROCARBON BEARING ZONES:

| | |
|-------|------------|
| Yates | 2937± Feet |
|-------|------------|

4. CASING PROGRAM

| <u>Size</u> | <u>Footage</u> | <u>Grade</u> | <u>WT/FT</u> |
|-------------|----------------|--------------|--------------|
| 8-5/8" | 400± | K-55 | 24 lb. New |
| 5-1/2" | 2700± | K-55 | 14 lb. New |
| | 3100± TD | | |

5 & 7. OPERATORS MINIMUM SPECIFICATIONS FOR PRESSURE AND BLOW OUT EQUIPMENT TO BE USED:

After setting the 8-5/8" casing string and before drilling into the Yates formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.

Pipe rams and the annular-type preventer shall be actuated at least once each 24 hours and the blind rams each time the drill pipe is out of the hole.

Accumulators shall maintain a pressure capacity reserve at all times to provide for repeated operation of hydraulic preventers.

A drill string safety valve in the open position shall be maintained on the rig floor at all times while drilling operations are being conducted.

Blowout prevention drills shall be conducted as necessary to insure that each drilling crew is properly trained to carry out emergency duties.

Good drilling practices will be implemented on the duration of this well. Visual monitoring of pit levels will be continual to allow for detection, before or during, of possible problems or well kicks. This will allow for quick action to deal with the successful handling of a well kick.