

Proposed Drilling Program
North Hobbs G/SA Unit No. 923
Letter K, Sec. 29, T-18-S, R-38-E (SHL)
Letter K, Sec. 32, T-18-S, R-38-E (BHL)
Lea County, New Mexico

A 16" conductor will be set and cemented to surface with 50 sx. cement. A 13-3/4" hole will be drilled from surface to approximately 1600'. This will allow for protection of all water zones and casing off of the Red Beds. A full string of 9-5/8", 32#, J-55 surface casing will be run and set 50' into the top of the Rustler Anhydrite with cement circulated to surface. The cement will be allowed to set for a minimum of eight (8) hours (minimum 500# compressive strength) and will then be tested to 1000 psi for 30 minutes before drilling resumes. After the casing is run and cemented, weld on 9-5/8" X 11" 3M casinghead housing and nipple up BOP stack (3000# Ram Preventer).

An 8-3/4" hole will be drilled out from surface casing point (1600') to +/- 4200' TVD. A full string of 7", 23#, J-55 casing will be run to +/-4200' TVD and cemented to surface (test casing to 1400 psi for 30 minutes).

A 6-1/8" horizontal hole will be drilled out from the 7" casing point. The 6-1/8" horizontal hole will be up to 3500' in length and will be completed open hole.
