

Phillips Petroleum

***Lea Co., New Mexico
East Vacuum Unit
Sec. 32,T17S-R35E
EVGSAU 3236-001 - Plan-3.29.01***

PROPOSAL REPORT

29 March, 2001

Your Ref: Horizontal Well Proposal

sperry-sun
DRILLING SERVICES
A Halliburton Company

Proposal Ref: pro51