MESCALERO RIDGE 35 UNIT #23 DRILLING PLAN PAGE 2

4. Casing Program

| <u>Hole Size</u> | <u>Interval</u> | Casing OD | <u>Weight</u> | Grade | Type |
|------------------|------------------|-----------|---------------|-----------|---------------|
| 17 1/2" | 0' - 40' | 14" | | Conductor | 0.30" wall |
| 12 1/4" | 0' - 1500' | 8 5/8" | 24# | J-55 | ST&C, new R-3 |
| 7 7/8" | 0' - TD (6000'±) | 5 1/2" | 15.5# | J-55 | ST&C, new R-3 |

Cementing Program

| 14" Conductor Casing: | Cement with Ready-mix to surface. |
|------------------------------|---|
| 8 5/8" Surface Casing: | Cement to surface: 500 sks Lite (35% Poz, 65% Class C, 6% gel) with 2% CaCl ₂ and 1/4 lb/sk Cellophane flakes + 200 sks Class C with 2% CaCl ₂ and 1/4 lb/sk Cellophane flakes. |
| 5 1/2" Production Casing: | Cement to 1300': 550 sks Lite (35% Poz, 65% Class C, 6% gel) with 5 lb/sx salt and 1/4 lb/sk Cellophane flakes + 500 sks Class C with 3% salt, .5% Fluid Loss, 1/4 lb/sk Cellophane flakes. |

The cement volumes for the 5 1/2" casing could be revised pending the caliper measurement from the open hole logs.

5. <u>Minimum Specifications for Pressure Control</u>

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventor and a bag-type (Hydril) preventor (3000 psi WP). Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. Both BOP's will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the 8-5/8" casing shoe, the BOP's and Hydril will be function tested.