

DRILLING PROGRAM

Attached to Form 3160-3
Mallon Oil Company
Mescalero Ridge 19 No. 1
NE SW, 1980' FSL and 1980' FWL Unit K
Sec. 19, T19S-R34E
Lea County, New Mexico
Lease Number: NM-0141013

1. Geologic Name of Surface Formation : Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

Quaternary Alluvium	Surface	San Andres	5157'
Rustler	1658'	Delaware	6070'
Top of Salt	1687'	Bone Springs	8136'
Base of Salt	3232'	Wolfcamp	10,861'
Yates	3423'	Strawn	12,164'
7 Rivers	3785'	Atoka	12,416'
Queen	4463'	Morrow	12,747'
Grayburg	4925'	TD	13,800'

3. The Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Quaternary Alluvium	300'	Fresh water
Bone Springs	8400'	Oil
Morrow	13,500'	Gas

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13-3/8" casing at 500' and circulating cement back to surface. Potash will be protected by setting 9-5/8" casing at 5000' and circulating cement back to surface.

Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a cementing stage tool into the 5-1/2" production casing which will be run to TD.