

Drilling Program
D. K. BOYD Oil and Gas Co., Inc.
Littman "17" Federal #3
Lea County, New Mexico

1. Geologic Name of Surface Formation: Permian

2. Estimated Tops of Important Geologic Markers:

| | |
|-------------|-------|
| Anhydrite | 1600' |
| Top of Salt | 1700' |
| Yates | 2900' |

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

| | | |
|---------------------|-------|-------------|
| Upper Permian Sands | 100' | fresh water |
| Seven Rivers | 3150' | gas & oil |

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 8-5/8" casing at 1600' and circulating cement to the surface. Any shallower zones above T. D. which contain commercial quantities of oil and/or gas will have cement circulated across them.

4. Casing Program:

| <u>Hole Size</u> | <u>Interval</u> | <u>OD Casing</u> | <u>Weight Grade</u> |
|------------------|-----------------|------------------|---------------------|
| 12-1/4" | 0 - 1600' | 8-5/8" | 24#, J-55 |
| 7-7/8" | 1600 - 3500' | 5-1/2" | 15.5, J-55 |

5. Cement Program:

A. 8-5/8" surface casing: Cemented to surface with 825 sx. "C" with 4% gel with 2% CaCl and 1/2 #/sx Flocele.

B. 5-1/2" production casing: Cemented with , 300 sx Premium Plus, 2% CaCl.

6. Minimum Specifications for Pressure Control: The B.O.P. shown on Exhibit 1 will consist of a double ram-type (3000 psi WP) preventer and bag-type (hydril) preventer (3000 psi WP). Both will be operated hydraulically and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. Both B.O.P.'s will be nipped up on the 8-5/8" surface casing and used continuously until T.D. is reached. The B.O.P.'s and accessory equipment will be tested to 1000 psi before drilling out surface casing. Before drilling out intermediate casing, the ram-type B.O.P. and accessory equipment will be tested to 3000 psi and the hydril to 70% (2100 psi) of rated working pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type B.O.P. Other accessories to the B.O.P. equipment will include a kelly cock and floor safety valve (inside B.O.P.) and choke lines and choke manifold with 3000 psi rating.