DRILLING PROGRAM
Melrose Operating Co.
Closson B Federal # 37
2310' FSL, 2310' FWL
Unit K, Sec. 19, T22S, R36E
Lea Co., NM

1. Geologic Name of Surface Formation:

Quarternay Alluvium

2. Estimated Tops of Important Geologic Markers:

Top of salt	1650'
Base of salt	3250'
Tansill	3350
Yates	3440
7-Rivers	3720

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

Water Sand	100' – 150'	Fresh Water
Yates	3440-3720'	Oil & Gas
7-Rivers	3720+	Oil & Gas

Fresh water sands will be protected by running 8-5/8" casing to a minimum depth of 400' and circulating cement. All other zones will be isolated by running 4-1/2" or 5-1/2" production casing and circulating cement.

4. Casing Program:

Hole Size	Interval	OC Csg	Weight Grade Jt Cond Type
12-1/4"	0 – 400	8-5/8"	24#, J55, New
7-7/8"	0 – TD	4-1/2" – 5-1/2"	9.5# - 17#, J55, Used

Cement Program:

8-5/8" Surface Casing:	Cemented to surface with 350 sx of Class C with 2% CaCl and ¼#/sx Flocele.
5-1/2" Production Casing:	Cemented with 300 sx of Class C and 400 sx of Lite C with 6# salt/sx and ¼#/sx Flocele. This should circulate cement to the surface.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #2 will consist of an double ram type preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nippled up on the 8-5/8" surface csg and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. A 2" kill line and a 2" choke line will be included in the drilling spool. Other accessories to the BOP equipment will include a kelly cock.