CLEARY PETROLEUM CORPORATION NEW MEXICO FEDERAL "C" #1 LEA COUNTY, NEW MEXICO

CASING & CEMENTING PROGRAM

Surface Casing:

17½" hole size; set approximately 470' of 13 3/8, 48# H-40 & 54.5 #K-55 new casing using 350 sx of Class "C" cmt. containing 4% gel, 2% Calcium Chloride with $\frac{1}{44}$ flocele per sk, tail in with 300 sx Class "C" cmt. containing 2% Calcium Chloride with $\frac{1}{44}$ flocele per sk.

Intermediate Casing:

12½" hole size; set approximately 5600' 9 5/8" 40#, 47#, 53.5# & 43.5# N-80 new casing, cmt. to surface using DV Multiple Stage tool at approximately 3350'. The first stage cmt. will consist of 850 sx of Halliburton Light cmt. containing 5# of Gilsonite & $\frac{1}{2}$ # flocele per sk., tail in with 300 sx of Class "C" containing 2% Calcium Chloride & $\frac{1}{2}$ # flocele per sk. The second stage cmt. will consist of 2000 sx Halliburton Light cmt. containing 15% salt and $\frac{1}{2}$ # flocele per sk. tail in with 100 sx Class "C" cmt. containing 2% Calcium Chloride & $\frac{1}{2}$ # flocele per sk.

Production String:

7 7/8" hole size: set $5\frac{1}{2}$ 20# & 17# N-80 LT & C & 17# N-80 buttress from 14,200' to surface. Cmt. with 150 sx Halliburton Light cmt. containing 0.6% Halad-22, 5# Gilsonite & $\frac{1}{4}$ flocele, tail in with 525 sx of Class "H" containing 0.8% Halad-22, 0.4% CRF-2, 3# KCL, & $\frac{1}{4}$ # flocele/sk. All $5\frac{1}{2}$ " casing will be new.

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