DRILLING PROGRAM
DEVONIAN ST. COM. NO. 2
Proposed Gas Well, TD - 3,800'
660' FEL & 710' FSL Sec. 20, T-21S, R-36E,
Lea Co., NM

The drilling plan includes drilling and completing a 3,800' Yates-Seven Rivers-Queens gas well. The following is a summary of the proposed program:

Surface Casing Set @ (0'-1,460') :

A 12 1/4" surface hole will be drilled to a depth of +/- 1,460' using FW spud mud. Surface casing (8 5/8") will be set from (0'-1,460') and cemented to surface. The NMOCD requires circulating cement to surface to protect FW zones which are located from surface to a depth of 300 feet FS or 50 feet into the top of the Red Bed. Setting the surface casing at the base of the Red Bed clays prevents potential problems from swelling clays while running OH logs. As per mud records in area, minor seepage may develop during drilling the 12 1/4" surface hole interval but can be corrected by use of LCM.

NOTE: The surface casing should be pressure tested to 500 psi prior to drill out with 7 7/8" bit to ensure integrity of string.

Production Casing Set @ (0' - 3,800'):

A 7 7/8" hole will be drilled from surface casing shoe to TD of 3,800' using saturated brine water. Starch and salt gel may be required from 3,300' to TD to control WL and viscosity. A mud logger will be on location from 2,900' to TD. The estimated Geological formations penetrated during drilling are as follows:

FORMATION	ESTIMATED DEPTH (MD/SS)
Base Salt	2862' (+758')
Yates	3,002' (+618')
Seven Rivers	3,262' (+358')
Queen	3,634' (+14')
Penrose	3,755' (-135')

Mud records in area indicate minor seepage is possible from 3,300' to 3,800' but can be controlled with drilling paper. OH logs will be run prior to running production casing. Production casing (5 1/2") will be set from surface to TD (3,800') using FS & FC. The casing will then be cemented to surface using single stage cementing.