Proposed Drilling Program Northeast Drinkard Unit Well No. 2308 Lea County, New Mexico

20" Conductor should be set at 40' before moving on location. A 12-1/4" hole will be drilled from surface to approximately 1365' or 25' into the Rustler, whichever is deeper. A full string of 8-5/8", 24#, J-55 surface casing will be run to approximately 1365' with cement circulated to surface. After casing is run and cemented, weld on wellhead. Wait on cement for 12 hours and test casing to 1000 psi and the BOPs to their rating prior to drilling out.

A 7-7/8" hole will be drilled out from surface casing point (approx. 1365') to a total depth of 6900'. A full string of 5-1/2", 15.5#, K-55 casing will be run to TD. The casing will be cemented in two stages with cement circulated to surface.