E X H I B I T " A "

Re: RE-COMPLETION PROCEDURE AND COST ESTIMATE
**Wolfcamp 13,166' - 13,180' KB From**
**Aloka Bank 14,340' to 14,476' KB**
Brinninstool No. 1
Lea County, New Mexico

Dear Mr. Schrade:

The following general procedure and cost estimate were prepared by Bill Baker after discussions with you, Tom Smith, NMOCC and Vann Services personnel. The procedure provides for plugging and abandonment of the Aloka Bank intervals and re-completion in the Wolfcamp formation. It assumes the tubing is not stuck and that the cement bond is adequate across the new intervals to be perforated.

**General Procedure**

1. Check anchors and cellar; set one clean 500 bbl. frac tank for water storage and load with 300 bbls. 2% KCl water, determine well head connections needed to rig up a 5000 psig BOP and well test system prior to moving pulling unit to location.
2. Move-in and rig-up completion equipment with one set of pipe racks or sills if available.
3. Load tubing with 2% KCl water.
4. Remove well head and install 5000 psig hydraulic BOP.
5. Unseat latch-in seal assembly from Baker 88-32 Model "DB" packer and pull out of hole; lay down approximately 1000' of tubing; keep hole full. Send seal assembly to Baker for repairs and storage; tag as equipment from this well.
6. Rig-up electric line truck; run gauge ring-junk basket top of packer. Run and set "DR" plug in packer at 14,179' KB. Cap plug with minimum of 30 feet of cement with a dump bailer as per NMOCC requirements.
7. Go in hole with tubing conveyed casing perforating gun and related equipment to perforate Wolfcamp 13,166' - 13,180' KB with 4 shots per foot, Baker Lokset packer, four foot sub (2-7/8", EU, 8 rd.), "on-off" tool with a 2.25" profile , 4 joints of tubing, tubing marker and tubing to place bottom of packer at approximately 13,180' KB; test tubing above slips to 10,000 psig.
8. Run depth control log, adjust for correction and set production packer; rig-down BOP and nipple-up well head with wrap-around in place. Lay flow line to pit; secure to anchors.
   *Note: Tubing run into hole dry; load tubing with 1500 to 2000 feet of water blanket prior to dropping bar to perforate.*
9. Drop bar to perforate.
10. Flow to clean-up and test.
11. Acidize perforations with 2500 gallons of 15% NEFE acid with 80 ball sealers if required to obtain commercial rates.
    Flow back and test.
    After final clean-up and testing, shut-in well, go in hole with BHP tools, obtain initial shut-in bottom hole pressure, run 4 point isochronal test, additional four hour flow test, and build-up for balance of time remaining on 72 hour clock(s) or other testing procedure as required by operator.
14. Initiate production into line.