ANTICIPATED WATER, OIL, GAS, AND MINERAL BEARING FORMATIONS

WELL:	Federal (USA)	"K" Well No. 1
LOCATION:	660' FSL & 1700)' FWL, Sec. 33, T-22-S, R-38-E
COUNTY:	Lea	STATE: New Mexico
ELEVATION:	3358'	PROPOSED TD: 7500'

FORMATION TOPS

DEPTH	FORMATION	OIL	GAS	WATER	MINERAL
0'	Ogallala			X	
1300'	Rustler			Х	
2680'	Yates			Х	
5341'	Glorieta	Х	Х		
5663'	Blinebry	Х	Х		
6243'	Tubb	Х	Х		
6443'	Drinkard	Х	Х		
6713'	Abo	Х	Х		

No drill stem tests will be conducted. No intervals will be cored. However, GR-CAL-CNL-FDC, GR-CAL-DLL-MSFL, and GR-BHC-Sonic surveys will be run.

No abnormal pressures, temperatures, or hazardous gases are anticipated to be encountered in this well.

Anticipated starting date will be within 30 days of approval date.

MUD PROGRAM

DEPTH	TYPE	WEIGHT	VISCOSITY
0-1350'	Spud Mud	8.4-8.8	28
1350-TD	Brine	10	29

Blowout preventer will be installed after surface casing is set. BOP will be tested each time it is installed on a casing string and operated at least once each 24-hour period during drilling.

