

9. Abnormal Conditions, Pressures, Temperatures & Potential Hazards:

Abnormally high pressured zones with a bottomhole pressure of approximately 8800 psi could possibly be encountered. Sufficient barite will be on location to enable the weighting up to the estimated 11.0 ppg to control any high pressure zone encountered. Along with the above mentioned primary control, a Blow Out Preventer System as outlined in Exhibit B will be utilized should the need arise to shut the well in prior to running and cementing the production liner. The estimated bottom hole temperature is 200°F and the estimated bottom hole pressure is 8800 psi. No Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major lost circulation zones have been reported in the offsetting wells.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the B.L.M. The anticipated spud date is March 29, 1996. Once spudded, the drilling operation should be completed in approximately 70 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.