

OPERATORS NAME:	<u>Meridian Oil Inc.</u>
LEASE NAME AND WELL NO.:	<u>Rhodes A No. 3</u>
LOCATION:	<u>1140' A, 990' FNL & 660' FEL, Sec. 22, T26S, R37E</u>
FIELD NAME:	<u>Rhodes Yates Seven Rivers Gas</u>
COUNTY:	<u>Lea County, NM</u>
LEASE NUMBER:	<u>LC-030174-A</u>

The following information is to supplement BLM form 3160-3 Application for permit to deepen in accordance with Onshore Oil and Gas Order No. 1:

9 - POINT DRILLING PLAN

1. Name and estimated tops of important geologic formation/marker horizons.

FORMATION	LITHOLOGY	DEPTH
Red Beds	Red Ss	350'
Rustler	Anhy	1040'
Salado	Anhy & Salt	1400'
Tansill	Anhy & Dolomite	2650'
Yates	Ss & Dolomite	2810'
Seven Rivers	Gyp, Ss & Dolomite	3135'

2. Estimated depths at which the top and bottom of formations potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals are expected to be encountered and the operator's plans for protecting such resources.

TD 3350'	Yates 2810-3135' - gas, 7 Rvs 3135' - 3350' TD - Gas
Mud up Depth:	T/Pay Ss @ 2810'
Problem Zones:	Salt Section is from 1400-2650'
Other:	Set surface casing 50' into red beds

3. The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP - related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

BOP: 10" - 3M BOP stack to be installed on 8 5/8" csg and left for the remainder of drilling. BOP will be tested once on "nipple up". BOP - sketch Exhibit "A".