

6. Proposed Mud System:

0-1075' fresh water spud mud

1075'-5000' saturated salt water

5000'-6000' salt water polymer with the following properties: Viscosity 30 sec., water loss 10 cc or less, weight 10 ppg with 5% KCl. Heavier weight mud will be used if required by well condition. 10 ppg brine is only used to minimize salt washout and formation damage and not for well control. No significant well control problems are anticipated.

7. Logging, Testing, and Coring Program:

(a) Formation testing may be done at any depth where samples, drilling rate, or log information indicates a possible show of oil or gas.

(b) Open hole logs will be run at total depth

(c) Plans are to possibly core one of these wells in the Blinebry.

8. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated Bottom Hole Temperature (BHT) at TD is 115°F and estimated maximum Bottom Hole Pressure (BHP) is 3000 psig. Hydrogen sulfide is not considered to be a significant safety hazard since well control should not be a problem. In anticipation of encountering H₂S gas, Exhibit 2 is the Plan of Operation for H₂S Drilling. No major loss circulation zones have been reported in offsetting wells.

9. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. Anticipated spud date should be May 1, 1997. Once commenced, the drilling operation should be finished in approximately 15 days per well. The time required to complete and test the well will be about 30 days per well.

10. Other Facets of the Proposed Operation: None.