Vaughn B3 #6

Item 1 (2) Drilling Program

1. Geological Name of the Surface Formation: Permian
2. Estimated depths of important geological formations: Permian - Surface
   Base of salt - 2876'
   Yates - 3062'
3. Estimated depths of anticipated fresh water, oil or gas: Fresh water - none
   Oil or Gas - Tansill & Yates - 2980'

No other formation is expected to give up oil, gas or fresh water in measurable quantities between surface and TD. A surface casing of 8 5/8' will be set at approximately 400' from the surface, and cement will be circulated to the surface. Any shallower zone above TD, which contains commercial quantities of oil and / or gas will have cement circulated across it.

1375 minimum

4. Casing Program:

Hole size	Apprx. Interval	Csg. Size	Wt./ Ft.
121/4"	0 - 400'	8 5/8"	24#
7 7/8"	0 - 3400'	5 ½"	15.5#

Cement Program:

8 5/8" surface casing cemented to surface.

Slurry, 347 cu. ft., 1.35 volume factor; 258 sacks class C cement + 2% bwoc calcium chloride + 0.25 lbs./ sk. Celio flakes + 58.3% fresh water.

Displacement, 22.9 Bbls. Fresh water displacement @ 8.34 ppg.

5 ½" production casing

Lead slurry, 698 cu. ft., 2.29 volume factor, 305 sacks Poz. class C cement + 0.25% bwoc celio flakes + 5 lbs./ sk. LCM .1 + 1% bwoc FL - 62 + 10% bwoc Bentonite + 0.2% bwoc sodium metasillicate + 5% bwow sodium chloride + 121.2% fresh water.

Tail Slurry, 227 cu. ft., 1.2 volume factor, 180 sacks poz class C cement + 5% bwow sodium chloride + 0.25 lb./ sk. Celio flake + 0.7% bwoc. FL - 82 + 0.2% bwoc sodium metasillicate + 60.2% fresh water.

Displacement, 93 bbls. Fresh water, displacement @ 8.34 ppg..

5. Minimum Specifications for Pressure Control:

The blowout preventor equipment (BOP) shown in exhibit #1 will consist of 3000 psi WP Double Rear Blowout Preventor. The BOP will be tested to 1000 psi. prior to drilling out 8 5/8" surface casing.

6. Types and Characteristics of Proposed Fluid System:

0 - 400' 8.69 - 9 wt., 32-32 vis., no filtrate control. Spud with fresh waters gel and lime spud mud, circulate the working pits.

400 - 3300' 10 -10.1 wt., 28 -29 vis., no filtrate control. Drill out from under surface with 10 lbs. / gal. brine, circulating the reserve pit. Caustic soda will be used to control ph at 9 - 10 for drill string protection.

3300' - 3400' 10 - 10.1 wt., 30 - 32 vis. Filtrate less than 20 cc. At 3300' or as needed for evaluation return to the working pits and mud up with a Star NP-110 / Starch system. Paper may be utilized for seepage.

7. Logging, Testing and Coring Program:

A) No coring or drill stem test is planned.

B) The electric logging program will consist of Gr - Dual Laterlog HSFL and GR - Compensated Density Neutron log from TD to surface.

8. Abnormal Conditions, Pressure, Temperature & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 100 degrees F. and the estimated maximum bottom hole pressure (BHP) is 1300 psig (0.38 psi / ft.). 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 loss circulation zones have been reported in offsetting wells.

9. Anticipated Starting Date and Duration of Operation:

The anticipated spud date is November 15, 2000. Once commenced the drilling operation should be finished in approximately 30 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.