

DRILLING PROGRAM

EOG RESOURCES, INC.
Hallwood "12" Federal No. 11

LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1100'
Delaware Mt. Group	5150'
Bone Spring Lime	9275'
3 rd Bone Spring Sand	12225'
TVD	12,300'
TMD	17,800'

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands	100'	Fresh Water
3 rd Bone Spring Sand	12400'	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting ~~11-3/4"~~^{13-3/8"} casing at 650' and circulating cement back to surface, and ~~8-5/8"~~^{9"} casing will be set at 5200' with cement circulated back to surface.

4. CASING PROGRAM:

WITNESS	<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight Grade Jt. Cond. Type</u>
	17 1/2"	0-650'	13 3/8"	48# H-40 A ST&C
	12 1/4"	0-5000' 5200'	9 5/8"	40# ^{40#} 36# KNS-80 LT&C
	8 3/4"	0-12700'	7"	26# P-110 LT&C
	6 1/8"	0'-17800'	4 1/2"	11.6# P-110 Hydrill

Cementing Program:

17 1/2" Surface Casing: Cement to surface with 325 sx Premium Plus + 3% Econolite + 2% Calcium Chloride + .25 lb/sk Flocele + 150 sx Premium Plus + 2% Calcium Chloride.

9 5/8" 1st Intermediate: Cement to surface with 1100 sx Interfill C + .25 lb/sk Flocele + 250 sx Premium Plus + 2% Calcium Chloride