CLEARY PETROLEUM CORPORATION

NEW MEXICO FEDERAL "F" COMM. #1

LEA COUNTY, NEW MEXICO

CASING & CEMENTING PROGRAM

Surface Casing:

17½" hole size; set approximately 470' of 13 3/8, 54.5 # K-55 new casing using 350 sx of Class "C" cmt containing 4% gel, 2% Calcium Chloride with $\frac{1}{4}$ # flocele per sk, tail in with 300 sx Class "C" cmt containing 2% Calcium Chloride with $\frac{1}{4}$ # flocele per sk.

Intermediate Casing:

12½" hole size; set approximately 5200' 9 5/8" 40#, K-55, 8R LT & C & 43.5, N-80 LT & C new casing, cmt to surface using DV Multiple Stage tool at approximately 3100'. The first stage cmt will consist of 400 sx of Halliburton Light cmt containing 5# of Gilsonite & $\frac{1}{2}$ # flocele per sk., tail in with 300 sx of Class "C" containing 2% Calcium Chloride & $\frac{1}{2}$ # flocele per sk. The second stage cmt will consist of 1525 sx Halliburton Light cmt containing 13½# salt and $\frac{1}{2}$ # flocele per sk tail in with 100 sx Class "C" cmt containing 2% Calcium Chloride & $\frac{1}{2}$ # flocele per sk.

Production String:

7 7/8" hole size: set $5\frac{1}{2}$ " 20# & 17# N-80 LT & C & 17# N-80 buttress from 14,000' to surface. Cmt with 350 sx Halliburton Light cmt containing 0.6% Halad 22, 5# Gilsonite & $\frac{1}{4}$ # flocele, tail in with 525 sx of Class "H" containing 0.8% Halad-22, 0.4% CFR-2, 3# KCL & $\frac{1}{4}$ # flocele/sk. All $5\frac{1}{2}$ " casing will be new.