

ANTICIPATED WATER, OIL, GAS AND MINERAL  
BEARING FORMATIONS

Lease: Bilbrey "30" Federal Well No. 1  
Location: 1650' FSL, 560' FWL, Sec. 30, T-21-S, R-32-E  
County: Lea State: New Mexico Elevation: GR-3701'  
Proposed TD: 8600'

Formation Tops

<u>Depth</u>	<u>Formation</u>	<u>Oil</u>	<u>Gas</u>	<u>Water</u>	<u>Lithology</u>
200'	Santa Rosa			X	Ss, Redbeds
798'	Rustler				Anhy, Salt
1120'	Salado				Salt
4540'	Lamar				Limestone
4670'	Bell Canyon				Sandstone
5720'	Cherry Canyon				Sandstone
6960'	Brushy Canyon	X			Sandstone
7050'	Brushy Canyon Pay	X			Sandstone
8500'	Bone Spring				Limestone

Geologic Description

The surface geology of this area is Quaternary age alluvium. Occasional outliers of Triassic Santa Rosa Sandstone are found in some areas. Vegetation consists mainly of scrub oak, mesquite and desert grasses.

The base of the salt section is found around 4350'.

No drill stem tests will be conducted. No cores will be taken.

No abnormal pressures, temperatures, or hazardous gases are anticipated to be encountered in this well. A water flow was encountered at the Neff "13" Federal lease drilled to the south. If a water flow is encountered, a DV Tool will be placed at approximately 3000' on the Intermediate Casing and cemented as follows: 1st Stage - 600 sacks class H w/ 1% CaCl<sub>2</sub> mixed at 15.6 PPG. 2nd Stage - 800 sacks 35/65 Poz class H w/ 6% Gel, 5% Salt & 1/4# Flocele mixed at 12.8 ppg, F/B 700 sacks class H w/ 1% CaCl<sub>2</sub> mixed at 15.6 PPG.

GR-CAL-CNL-LDT, GR-SP-DIL-SFL and Dielectric surveys will be run.