ANTICIPATED WATER, OIL, GAS AND MINERAL BEARING FORMATIONS

Lease: Bilbrey "30" Federal Well No. 2 Location: 660' FSL, 660' FWL, Sec. 30, T-21-S, R-32-E State: New Mexico Elevation: GR-3691' County: Lea

Proposed TD: 8600'

Formation Tops

<u>Depth</u>	<u>Formation</u>	<u>011</u>	<u>Gas</u>	<u>Water</u>	<u>Lithology</u>
210' 800' 1130' 4550' 4680' 5740' 6970'	Santa Rosa Rustler Salado Lamar Bell Canyon Cherry Canyon Brushy Canyon	x		х	Ss,Redbeds Anhy, Salt Salt Limestone Sandstone Sandstone Sandstone
7060′	Brushy Canyon Pay	X			Sandstone
8510 ′	Bone Spring				Limestone

Geologic Description

The surface geology of this area is Quaternary age alluvium. Occassional 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 ccres 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% Cacl2 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% Cacl2 mixed at 15.6 PPG.

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