

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

8. Auxiliary Well Control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- C. H₂S monitoring will be used to detect H₂S gas at the flowline and on the rig floor. Fresh air breathing equipment will be on location in case of an H₂S emergency.

9. Testing, Logging and Coring Program:

A two (2) man Mudlogging unit will be on location from the top of the base of the Salado Formation, at approximately 2600', to total depth at 4000'.

If indicated, DLL-MSFL, CNL-Density, Gamma Ray logs and Caliper logs will be run at TD. The Dual Laterolog will be run from TD back to the base of the Salado and the Compensated Neutron/Density Log will be run from TD back to surface. Armstrong may elect to obtain rotary sidewall cores from selected intervals from approximately 3140' to 4000', dependent upon logging results.

10. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The anticipated bottomhole pressure is 1520 PSI.

Loss of circulation is possible in the Yates-Seven Rivers section of the hole, however, no major loss circulation zones have been reported in offsetting wells.

Armstrong has one (2) producing wells on the lease. Hydrogen Sulfide is present in the produced fluids from these wells. However, if Hydrogen Sulfide is encountered, a Hydrogen Sulfide alarm on the drilling rig would be activated. All personnel have had Hydrogen Sulfide training and appropriate breathing apparatus is located on site. If necessary, the well can be shut in utilizing the blow out preventer and other equipment to prevent the migration of Hydrogen Sulfide to the surface.

11. Anticipated Starting Date and Duration of Operations: Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is September 1, 1998. Once commenced, the drilling operation should be completed