

SUPPLEMENTAL DRILLING DATA

KENSON OPERATING COMPANY, INC.
No. 116 LANGLIE JAL UNIT

Lea County, New Mexico
Federal Lease No. LC-055546

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No. 1:

1. SURFACE FORMATION: Current

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yates	2730	Queen	3370
Seven Rivers	2980	Penrose	3515

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Water - Possible ground water from 0' to 50'

Oil - 3370' to TD

Gas - 2750' to 2950'

4. PROPOSED CASING PROGRAM:

~~Carbon Controlled Water Risk~~

8-5/8" Casing – Set at 800' Surface casing Circulate.

5-1/2" Casing – Set at 3800' Production casing Circulate.

All strings of casing will be satisfactorily tested to 1000 psi

WITNESS

5. PRESSURE CONTROL EQUIPMENT:

Install a 2000# 8" manual double ram BOP on the 8-5/8" casing prior to drilling into the Yates. Due to depleted nature of the reservoir, it is requested that a waiver be granted to test pressure control equipment to 1000 psi, using rig pump, instead of the normal 2000 psi test. Exhibit D is a diagrammatic sketch of the BOP equipment.

6. CIRCULATING MEDIUM:

Drill with fresh water from surface to setting depth of surface casing. Drill remainder of hole with brine water, using additives to control water loss, viscosity and mud weight.