



TEXAS MUD AND CHEMICAL CO.

P. O. BOX 1966

PHONE A/C 915/381-0400

ODESSA, TEXAS 79760

January 10, 1979

Depco, Inc.
800 Central
Odessa, Texas 79761

Attn: C.O. Bizzell

Dear Carl:

We are pleased to submit a Mud Program for your "Exxon Federal No. 1" to be drilled in Section 24, Chaves County, New Mexico.

0 - 400' TMC Gel and Lime, Vis. 36-38, for hole conditions.

400 - 2850' Drill with native mud, Vis. 30-31. Add Mud Seal if needed for seepage. Add Lime or Caustic for P.H. control 9.5 - 10.

2850 - 6000' Drill with fresh water circulating reserve pit for solids control. Add Lime or Caustic for P.H. control 9.5 - 10. Add Mud Seal if needed for seepage.

6000 - 8000' Add Salt Gel to raise Vis. 32-33. Add 2-3% Oil. Maintain P.H. 9.5-10. with Caustic. For D.S.T. lower W/L 20cc.

8000 - 8800' Maintain Vis. 33-34, Lower W/L 20cc or less, 2-3% Oil.

8800' - T.D. Lower W/L 5cc or less, Raise Vis. 36-38 if needed for D.S.T. and logging.

Drilling Hazards: None Expected

Est. Mud Cost: \$15,000.00

Stock Point: Lovington, N.M. - Call Odessa 915 - 381-0400.

Engineer: Ronnie Koonce - 915 381-0400

Thank you for the opportunity of submitting this program for your consideration. We hope to hear from you soon.

Sincerely,

Texas Mud & Chemical Company
Leon Koonce, President