

BLACK RIVER CORPORATION
ATTACHMENT TO FORM C-101
BRC - MADERA #1
860' FNL 1980' FEL
SECTION 29: T-22-S, R-27-E
EDDY COUNTY, NEW MEXICO

MUD PROGRAM:

The surface hole (surface to 370') will be drilled with high viscosity gelled water containing 5 to 8 pounds per barrel of loss circulation material. The interval 370 to 2400 will be drilled with saturated brine water. The interval 2400 to approximately 8600 (Third Bone Spring) will be drilled with fresh water containing lime and corrosion inhibitor. If any high pressures are encountered while drilling the interval 2400 to 8600 will then convert to brine water. At 8600' 10.2 brine water will be used to a depth of 10,600. At 10,600' the contractor will convert the existing drilling fluid system to a system composed of Magcogel, Bennex, Sipan and Soda Ash. This system is to be maintained with the following required characteristics to hold the morrow bottom hole pressure:

Weight: 8.6 to 9.0 pounds per gallon, or consistent with preventing excessive gas cutting of the system.

Viscosity: 34 to 36 or more seconds per thousand cc's.

Water Loss: 10.0 cc or less.