

MUDCO INCORPORATED

SALES & SERVICE OF DRILLING MUDS SERVING WEST TEXAS AND NEW MEXICO

August 31, 1976

Date Received AUG 4 PROPERTION DEPARTMENT 832 338 On! L[X]¥ r. 7 CMS V.C CDS

Petroleum Corp. of Texas (Petco) P.O. Box 911 Breckenridge, Texas 76024

Mr. Steve Lindley; Mr. Lowell Moore;

Dear Sirs:

Reference:

Well & mud program as requested by Mr. Lindley (Petco) For Contractor: w.E.K. Rig # 1 (Larry Arnold, pusher)

Two wells at Loco Hills, N.M. "Grayburg-San Andres" pay zone.

- 1. Drlg. 121 surface hole to 510' approx. Rotary bushing measurement. with 10 ft. sub-struction. Sat 85/8" surface csg @ 500' approx.
- 2. No! Spud mud used! As 7 out of 10 times, will lose circulationg in gravel & sand @ 270' to 400'. Drlg with no returns to csg. point. The above hole condition is reason for $12 \frac{1}{4}$ hole, so that $8 \frac{5}{8}$ csg. will run without difficulty, so will not have to spud or drive csg to bottom.
- 3. If cement is circulated it will still settle back, therefore lt to 2 yards gravel should be used around top of 8 5/8" esg. while W.O.C.
- 4. Out from under 8 5/8" csg. with fresh water 7 7/8" bit using bichromate as inhibitor for caseing & drill pipe, use initally first day drlg, one sack (100)" then \frac{1}{2} sack (50") daily (24hours) thereafter w/drlg.
- 5. If no water flow start mud up @ 100' above T.D. through rig pits (only) w/salt gel, mud seal paper and super visbestos, for 35-36 viscosity (no w.l. control), circulate hole clean for open hole elect. log.
- 6. If you have water flow, drlg. to T.D. pull out 5 stands D.P. (up in the clear) build the above mud in rig pit, run D.P. back to bottom and load hole with mud pull out, run logs.

Thank you for calling.

EXHIBIT "E" PETROLEUM CORPORATION OF TEXAS Mud Program Berry Federal "A", Well No. 5 S21, T17S, R30E

Sincerely yours.

Vance Nix, President