

BLACK RIVER CORPORATION
ATTACHMENT TO FORM C-101
Cerro #1
2080 'FNL 760' FWL
Section 11: T-23-S, R-27-E
Eddy County, New Mexico

MUD PROGRAM:

The surface hole (surface to 350') will be drilled with high viscosity gelled water containing 5 to 8 pounds per barrel of loss circulation material. The interval 350' to 5600' will be drilled with saturated brine water. The interval 5600' to approximately 9100' (Third Bone Spring) will be drilled with fresh water containing lime and corrosion inhibitor. If any high pressures are encountered while drilling the interval 5600' to 9100' will then convert to brine water. At 9100' 10.2 brine water will be used to a depth of 12,000'. At 12,000' 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.