AC 505 623-6862	MARRS MUD a division of	JOMPANY	Depco, Inc. Coquina Fed. #1
	Corral, Inc. 1717 West Second St. Roswell, New Mexico B8201	FIELD	Section 4, T-16-S, R-28-E
AC 505 396-4876	Sales Office 1118 West Aspen Lovington, New Mexico 88260	COUNTY PROPOSED DE	Eddy STATE New Mexico

PROPOSED MUD PROGRAM BY CASING INTERVAL

SURFACE: 0 - 575'

We suggest water to which fresh water gel and lime are added to be used to spud and drill surface.

We do not anticipate trouble in the interval.

INTERMEDIATE: 575 - 1,950'

Drill out from below surface casing with brine water circulating the working pits. This fluid should be adequate to safely drill to casing point. If drilling with water at casing point, we suggest sweeping the hole with a Flosal sweep before running casing.

For any unanticipated hole trouble, fishing, coring, testing, etc., we suggest taking a water loss control of the drilling fluid system. We recommend the following characteristics:

> Weight - 10 to 10.2 PPG Viscosity - 34 to 36 Sec./1000^{cc} Fluid Loss - 10ML or less

Comment:

There is a chance of drilling into a salt water flow between 1,075' - 1,150'. We suggest that the drilling contractor be rigged up with a blow-out prevention system that will let them release pressure thru two 4" outlets. We suggest running a float in the drill collars to stop the flow while making connections.

PRODUCTION: 1,950 - 9,400'

We suggest drilling out below the intermediate casing with fresh water circulating the reserve pits.

This type drilling fluid should be sufficient to drill, core or test down to 5,400' (approximately 150' above Abo).

At 5,400', we recommend mudding up with a low solids chemical oil type drilling fluid having the following characteristics: