

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh and cut brine mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec.)</u>	<u>Waterloss (cc's)</u>
0-400'	Fresh Wtr. (spud)	8.5	35-45	N.C.
400-2600'	Fresh water	8.5	28-30	N.C.
2600-9000'	Cut Brine	8.8-9.3	28	N.C.
9000-TD	Cut Brine	9.3-9.7	32-36	<10

Sufficient mud materials to maintain mud properties and meet minimum loss circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- (A.) A kelly cock will be kept in the drill string at all times.
- (B.) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C.) An electronic pit-volume-totalizer system (PVT) will be used continuously below the Wolfcamp zone to monitor the mud and pump system. The drilling fluids system will also be visually monitored at all times.
- (D.) A mud logging unit will be continuously monitoring drilling penetration rate and hydrocarbon shows from the Wolfcamp zone to TD. A company geologist will monitor drilling penetration rate and hydrocarbon shows from 800' to the top of the Wolfcamp.

8. Logging, Testing and Coring Program:

- (A.) Drillstem tests will be run on the basis of shows while drilling.
- (B.) The electric logging program will consist of GR-Dual Laterolog-Micro Guard from TD to intermediate casing and GR-Spectral Density Dual Spaced Neutron from TD to surface.
- (C.) No cores either conventional or sidewall are anticipated.