APPLICATION TO DRILL

HUDSON OIL COMPANY OF TEXAS WARHOL # 1 UNIT "G" SECTION 13 T17S-R31E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 m3/8"	Surface	Set 650' of 13 3/8" 54.5# K-55 ST&C casing. Cement with 700 Sx. of Class "C" cement + 2% CaCl, + $\frac{1}{2}$ # Flocele/Sx. circulate cement to surface.
9 5/8"	Intermediate	Set 4600' of 9 5/8" 40# L-80 ST&C casing. CEment with 1550 Sx. of Class "C" cement + 2% CaCl, + ½# Flocele/Sx. circulate cement to surface.
7''	Production	Set 14.600' of 7" 29# L-80 LT&C casing. Cement with 2015 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 1600' from surface.

10. <u>PRESSURE CONTROL EQUIPMENT:</u> Exhibit "E" shows a 1500 Series 5000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nippled up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-650'	8.4-8.7	29-34	NC	Fresh water Spud mud add paper to control seepage.
650-4600'	10.1-10.5	29-36	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
4600-12,000'.	10.2-10.5	34-42	NC	Same as above use line to control pH and high viscosity sweeps to clean hole.
12,000-14,600	10.2-10.5	34-42	10 cc or less	Use a Dris-Pac system to control water loss.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's , open hole logs, and casing viscosity and/or water loss may have to be adjusted to meet these needs.