

PETROLEUM DEVELOPMENT CORPORATION

9720-B CANDELARIA, NE ALBUQUERQUE, NEW MEXICO 87112 TELEPHONE (505) 293-4044

EXHIBIT "E"

MUD PROGRAM

PETROLEUM DEVELOPMENT CORPORATION

LLANO-McKAY FEDERAL #1

- 660' FN & WL, Sec. 13, T19S, R31E Eddy County, N. M. Leases: NM23003 (Fed.) 280 acres LG3180 (State) 40 acres
- 0 2379 Drill plugs and condition hole with brine water. Use salt gel to increase viscosity to above 34-36 sec. after milling operations begin.
- 2379 11500 Use 9.4# 9.6# cut brine to drill plugs and condition hole.
- 11500 TD Drill with 9.4 9.6# cut brine, increasing to 10.2# brine before drilling Morrow Sands, viscosity 31 sec. Prior to penetrating the Morrow pay zones, water loss will be reduced to 6-8 cc.