SOUTHERN UNION SUPPLY COMPANY EXXON FEDERAL NO. 2

Mud Program

0-350' use Gel-Lime spud mud treated with loss circulation material. Dry drill to casing point if loss of circulation occurs.

350' - 2500' Fresh water Ph 10.5. Dry drill to casing point if loss circulation occurs.

2500' - 6500' Fresh water.

6500' - 9400' Add brine to increase weight to 9.0 - 9.1 ppg. Treat out hardness with soda ash and mud up with Drispac/Dextrid mud. Viscosity 32 - 33 sec and water loss 10 - 15cc.

9400' - TD Lower water loss to less than locc. Adjust viscosity as needed. Maintain weight at 9.2 - 9.6 ppg. Add 3% KCL prior to drilling Morrow.