PHILLIPS PETROLLAM COMPANY

Proposed Mud Program - James-D No. 1, 1980' FW and 660' FS lines Section 26, T-21-S, R-30-E, Eddy County, New Mexico.

0 - 4001:

Drill cut with Flosal^{*} bentonite and lime mixed to a high viscosity. Maintain sufficient viscosity to assure running of casing.

1001 - 37001:

Stay in steel pits and saturate system with potash salt. Keep system super saturated. Prior to reaching casing point mix Flosal^{*} as needed to assure a clean hole for running of casing.

37001 - 60001:

Drill this interval with controlled brine system. Maintain viscosity with Flosal" to keep hole clean and to obtain adequate samples. Control weight with fresh or brine water additions. Should water loss control be necessary, reduce WL to 20 cc or less with Drispac".

Special Production Precoders: Good samples surface to 7.D. Possible DST in Cherry Canyon

Any deviations from this program must be approved by Phillips Area Superintendent and Drilling Specialties Company with a note advising the District Manager of any changes.

* " Trademark

