Mustang Mud Incorporated

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May 10, 1974

The Petroleum Corporation 3303 Lee Parkway Dallas, Texas 75219

Attention: Larry Shannon

Gentlemen:

The following is a suggested drilling, mud and pipe program for your Superior Federal #3 Morrow Prospect to be drilled in the Russell Field, Sec. 4-20-29, Eddy County, New Mexico.

SURFACE STRING: (600' of 13-3/8" or 11-3/4")

- 1. Water to which Gel and Lime are added may be used to spud and drill surface.
- 2. You mayhlose circulation anywhere from 50' to 400'. If you can't get circulation back with a few sacks of Hulls, you should dry drill and run pipe.

INTERMEDIATE STRING: (3200' of 8-5/8")

- 1. Drill out with brine water to prevent errosion of salt section.
- 2. Small amounts of Ground Paper should be added daily to help control seepage.
- 3. Add Flo Sal for 31-32 sec/1000 cc viscosity if needed to clean hole.

PRODUCTION STRING: (11,800' of 5-1/2" or 4-1/2")

- 1. Drill out with fresh water. Lime for pH control.
- 2. Add Paper as needed to control loss through Bone Spring Section.
- 3. At 9000', start adding 10.0 brine to raise weight to 9.5/9.6.
- 4. At 10,000', add XC Polymer to get 33-35 sec/1000 cc viscosity.
- 5. At approximately 11,000', lower water loss below 10 cc with Starch.
- 6. If necessary, for hole cleaning, or foam, add 5-6 lb. per bbl. prehydrated bentonite.