

EXHIBIT "G"

CHAMPLIN PETROLEUM COMPANY

12,000' Morrow Test - Reeves-Federal No. 2

Section 35, T-21-S, R-27-E,

Eddy County, New Mexico

Suggested Drilling Fluid & Casing Program:

Surface Casing: 13-3/8" in 17-1/2" hole set at 450' or into Capitan Reef.

0' - 450' - Spud mud consisting of AQUAGEL flocculated with Lime. Use HYSEAL for seepage loss of fluid. If severe loss occurs, treat with Cottonseed Hulls & FIBERTEX.

450'-2600' - Drill out with fresh water and circulate the reserve pit. Use HYSEAL for seepage loss of fluid. Possible loss in the reef section from 900-1000' if porosity is developed. Use Cottonseed Hulls & FIBERTEX in Viscous AQUAGEL pills to sweep hole prior to trips. If severe loss does not occur, lower the fluid loss to 10-20cc and increase the viscosity to 32-33 sec/1000cc prior to setting casing.

Intermediate Casing: 8-5/8" in 12-1/4" hole to 2600'.

2600' - 9000' - Drill out of intermediate casing with fresh water, circulate the reserve pit. If necessary to hold influx of fluid from the Delaware from 3300-3450', increase fluid weight with brine water to 9.3 to 9.4#/gallon. Use HYSEAL for seepage loss of fluid. Use C2215, amine corrosion inhibitor, for drill pipe & casing protection. Use BENEX to flocculate solids.

9000 - 11000' - Displace existing fluid with 10.2#/gallon brine water. Use HYSEAL for seepage loss of fluid. To increase fluid weight to 10.4-10.5#/gallon, use Soda Ash. Increase weight above 10.2#/gallon only when hole conditions dictate. No fluid loss control necessary to drill this section unless for DST, then lower to 10-15cc with DEXTRID DRISPAC.

11000-12000' - Prior to drilling into the Morrow formation (11,100' to 11,200'), to the existing mud add 3% KCL & lower the fluid loss below 5cc with DEXTRID/DRISPAC. This should help give formation protection to the Morrow formation.

Special Surface Equipment Recommended: Install prior to 9000' Mud & Gas Flowline Separator, Drilling Head, Degasser, Adjustable Choke, Flow Sensor & Pit Volume Totalizer.