

Production: 11,300' of 5 1/2"

We suggest drilling from under intermediate with fresh water employing the use of a flocculant (Benex) to minimize the build up of solids. For corrosion protection we recommend the PH of the system to be maintained in the range of 9.5 to 10 using this type of fluid to approximately 8,000' or 100' from top of Wolfcamp, where we suggest displacing the hole with 10 lbs./gal. of brine water. This should be adequate to drill the upper Wolfcamp and down to the top of the Strawn.

At 9400' we suggest mudding up with a drispac system having the following properties:

Mud Weight - 10 lbs./gal.
Viscosity - 30 - 31 Sec./1000cc
Fluid Loss - 15 to 20

This fluid should be adequate to safely drill and test to a depth of approximately 10,400' (top of Morrow) where we suggest lowering the fluid loss to 6 to 8cc and adding 4% Potassium Chloride to the system for formation protection with the exception of increasing the viscosity.

This fluid should be adequate to safely drill, test, and log to total depth.

Estimated Mud Cost: \$20,000.00 to \$25,000.00

The estimated mud cost is under normal conditions and does not include any extensive loss of circulation, fishing, etc. This cost is also based on a normal drilling rate per day, therefore, any excessive time spent on drilling due to crooked hole, testing, break downs, etc., would increase mud costs.

I hope this information will be of benefit to you and if we can be of any further service please do not hesitate to call.

Sincerely,



Wayne W. Marrs
General Manager

Engineers: Jim Essman (Hobbs, 505/397-2529)
Norman Bentle (Hobbs, 505/392-5616)
Wayne W. Marrs (Lovington, 505/396-4876)
Warehouse (Lovington, 505/396-2540)