

5. Proposed Mud Program:

- 0 - 500': Fresh water spud mud. Fresh water gel and lime. 8.5-8.8#/gal, 30-33 viscosity
- 500 - 2500': Brine water with salt gel and lost circulation material as required. 9.3#/gal, 28-30 viscosity. 9.5-10.0 mud weight
- 2500 - 3500': Fresh water system. Control pH with lime, mud weight 8.3-8.4#/gal, viscosity 28, pH 9-10
- 3500 - 9400': Drill out with existing brine water system circulating reserve pit. Control pH with lime. Mud weight 9.2-9.4#/gal, viscosity 28-32, pH 9-10
- 9400 - 12500': Return to working pits, mud up with salt gel and lower water loss to 6cc before drilling the Morrow formation. Water loss to be controlled by increasing oil content. Mud weight 9.4-9.7#/gal, 38-46 viscosity.

6. Pressure Control Equipment: PVT and flow line sensor from 3500 to total depth. SWACO hydraulic choke from 3500' to total depth. Hydril from 500' to 2500'. Hydril and double ram preventors from 2500' to 3500'. Rotating head, hydril and double ram preventors from 3500' to total depth. Blowout preventors to be pressure tested prior to drilling into the Wolfcamp formation.

7. Proposed Testing, Logging and Coring Programs:

- Testing: possible DST's in Delaware, Strawn and Morrow.
- Logging: Dual Laterolog, Compensated Neutron, Gamma Ray  
Mud logging unit from 1400' to total depth
- Coring : None anticipated

8. Auxiliary Equipment: Kelly cock, Flow Sensor, Full Opening Stabbing Valve.

9. Abnormal Pressures or Temperature Zones: Possible loss circulation in the Artesia group, Capitan Reef, Bone Spring and Wolfcamp formations. Possible high pressure gas in the Lower Morrow.

10. Anticipated Starting Date: Commence drilling operations upon approval of the Permit to Drill.