

DRILLING FLUIDS PROGRAM

Surface: Spud with fresh water gel and lime. Add paper to control seepage.

Intermediate: Fresh water gel and lime. Add paper to control seepage.

Production: Drill production hole with fresh water to 5000'. Begin adding KCl increasing concentration to 4% by 8000'. Mud up with Polymer-Starch system at 9500'. Mud properties: 35 sec. viscosity, 9.5 ppg weight, 15 cc water loss to <10 cc at 10,450 TVD.
Mud program may be altered as hole conditions dictate.

EXHIBIT G

Barbara Fasken
Inexco Federal "17" No. 2
SHL: 2300' FSL & 1800' FEL
BHL: 800' FNL & 1400' FEL
Sec. 17, T21S, R26E
Eddy County, NM