

PROPOSED DRILLING FLUID PROGRAM

0 - 1600'

Spud with air-air mist to 1600' if possible. If it becomes necessary to mud up due to hole conditions, utilize a fresh water gel system. Use ground paper for seepage control and to sweep the hole. MW-8.5 ppg and vis-40.

1600 - 8500'

Drill out with fresh water circulating the reserve pit. Maintain pH at 8.5-9.5 with caustic and sweep the hole as necessary with ground paper. If it becomes necessary to mud up due to hole conditions, utilize a fresh water/Drispac system for 15-20 WL and a Vis of 30-32. MW-8.3/8.5 ppg.

Exhibit "C"
Santa Fe Snyder Corp.
Old Ranch Canyon "7" Fed #4
Section 7, T-22-S, R-24-E
Eddy County, New Mexico