

PHILLIPS PETROLEUM COMPANY

Proposed Mud Program - James-E No. 1, Cabin Lake (Morrow) test.
Section 11 T-22-S, R-30-E, Eddy County, New Mexico.

0 - 400':

Drill out with Flosal* bentonite and lime mixed to a high viscosity. Maintain sufficient viscosity to assure running of casing.

400' - 3700':

Stay in steel pits and saturate system with potash salt. Keep system super saturated. Prior to reaching casing point mix Flosal* as needed to assure a clean hole for running of casing.

3700' - 11,300'

Drill this interval with fresh water. Maintain viscosity with Flosal* to keep hole clean and to obtain adequate samples. Control weight with fresh or brine water additions. Should water loss control be necessary, reduce WL to 20 cc or less with Drispac*.

11,300' to Total Depth

Drill with brine water, Drispac* and Flosal* mud. Use Barite if weight over 10.3#/gal. is desired. Should loss occur, use LCM as needed.

Special Production Practices:

Good samples surface to T.D. Possible DST's in Strawn - 1, Atoka - 1.

Any deviations from this program must be approved by Phillips Area Superintendent and Drilling Specialties Company with a note advising the District Manager of any changes.

* A Trademark