5. Proposed Mud Program:

0 - 800':	Fresh water spud mud. Fresh water gel and lime. 8.4-9.0#/gal, 30-35 viscosity.
800 - 4400':	Brine water with salt gel and lost circulation material as required. 10.0-10.2# per gallon, 30-32 viscosity.
4400 - 12500':	Drill out with fresh water system, begin brine system at 9000'. Control pH with lime. 9.2-9.4#/gal, viscosity 29-33, pH 9-10.
12500 - 15400':	Brine system with salt gel, lowering water loss to 6cc before drilling the Morrow formation. Water loss to be controlled by increasing oil content. 9.4-9.7#/gal, 37-45 viscosity.

5M

6. Pressure Control Equipment: PVT and flow line sensor from 4400' to total depth. SWACO hydraulic choke from 4400' to total depth. Hydril from 800' to ~~4400'~~ TD. Rotating head, hydril and double ram preventors to be pressure tested prior to drilling in to 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
Coring : None anticipated
Mud logging unit possibly from 4300-total depth.

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

9. Abnormal Pressures or Temperature Zones: Possible high pressure zones in the Bone Spring , Wolfcamp and Morrow formations.

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