

WEST TEXAS DRILLING FLUIDS, INC.

P. O. Box 50727  
Midland, Texas 79710

EXHIBIT "C"

915-682-8382

BETTIS, BOYLE & STOVALL  
Pickett Draw Federal # 3  
Section 10, T-25-S, R-29-E  
Eddy County, New Mexico 5,300'

INTERVAL DISCUSSION OF PROPOSED DRILLING FLUIDS PROGRAM

SURFACE

DEPTH: 0 - 600' Spud Mud  
MUD WEIGHT: 8.6 - 9.2 ppg  
VISCOSITY: 35 - 45 sec/qt  
FLUID LOSS: No Control

Spud with Freshwater Gel/Lime Slurry using the above listed properties. This type of fluid should be adequate to drill the poorly consolidated surface formations. Use Ground Paper for seepage and/or loss circulation. Recommend horseshoe type reserve pit.

DEPTH: 600' - 5300' Brinewater  
MUD WEIGHT: 9.8 - 10.0 ppg  
VISCOSITY: 29 - 33 sec/qt  
FLUID LOSS: No Control  
OIL: 3% by volume, if needed

Drill out with 10.0 ppg Brinewater circulating a controlled section of the reserve pit prior to drilling the Salt formations. The use of 10.0 ppg Brinewater should minimize hole enlargement while drilling the Salt formations. Maintaining 3% Oil, if needed, should help wellbore stability and increase lubricity. Additions of Ground Paper/Magma Fiber pills should be utilized for hole cleaning, seepage and/or loss circulation. Sweep hole with Ground Paper/Magma Fiber pill prior to running the intermediate casing. Use Lime for pH control of 9.5 - 10.0.