

Lily "ALY" Federal #1
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From 4200' to 6500' (Minimum Properties)

Mud Weight: 8.7 ppg, Viscosity: 28 sec.1000cc, Water Loss: N/C cc, Mud Type: Cut Brine.

Mud will be checked tourly by rig personnel. Sufficient quantities of mud will be kept on location to maintain minimum properties.

From 6500' to 8300' (Minimum Properties)

Mud weight: 8.7 - 8.9 ppg, viscosity 28 sec./1000cc, Water Loss: 15 cc, Mud Type: Starch, cut Brine.

Mud will be checked tourly by rig personnel. Sufficient quantities of mud will be kept on location to maintain minimum properties.

6. Testing, Logging and Coring Program:

Samples: Every 10' from surface casing to TD.

DST's: Any tests will be based on the recommendation of the well site Geologist as warranted by drilling breaks and shows.

Coring: None anticipated.

Logging: CNL-LTD from TD to casing, with GR-CNL up to surface; DLL from TD to casing.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: <u>-0-</u>	TO	<u>500'</u>	Anticipated Max. BHP: <u>215</u> PSI
From: <u>500'</u>	TO	<u>4200'</u>	Anticipated Max. BHP: <u>1800</u> PSI
From: <u>4200'</u>	TO	<u>8300'</u>	Anticipated Max. BHP: <u>3710</u> PSI

Abnormal Pressures Anticipated: None.

Lost Circulation zones anticipated: None.

H2S Zones Anticipated: None.

Maximum Bottom Hole Temperature: 125 F

8. Anticipated starting date: As soon as possible after approval with the drilling time being approximately 15 days and the completion time being another 15 days.