

Hanley Petroleum Inc.

Union 35 Federal Well #6  
660' FSL & 660' FWL  
Section 35, Township 22-S, Range 28-E  
Eddy County, New Mexico

6. Types and Characteristics of the Proposed Mud System:

Surface: 0-450'

Spud and drill surface hole with a fresh water gel with lime. Maintain a 35 to 40 second/quart viscosity. To control seepage or loss circulation add paper.

Production:

If compatibility tests indicate that it is necessary, Delaware produced water will be used to drill the production hole. Caustic soda or lime will be used to control pH from 9.5 to 10. The source of this produced water is Ray Westall's Santa Fe Federal located in Section 35, T-22S, R-28E or if sufficient quantities of produced water are available from Hanley's Delaware completions.

If necessary, add paper to control seepage. Sweep hole as needed with viscous salt gel pills.

If hole problems dictate, lower water loss to 15 cc or less to log.

7. Auxiliary Well Control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Testing, Logging and Coring Programs:

- A. DST's - None anticipated
- B. Wireline Logs
- C. Cores - None anticipated