EXHIBIT C
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #9
Eddy County, New Mexico

Drilling Fluid Program

| | TV Depth Ft. | Weight lb/gal | Viscosity Sec | Filtrate ml |
|---|---|---|---|---|
| Surface: | 0' | 8.5 | 35 | No |
| | to | to | to | Control |
| | 700' | 9.2 | 45 | |

Spud with fresh water gel. Add lime for sufficient viscosity to clean the hole. Paper may be used to control seepage, and mixed coarse LCM for severe to total loss.

| | | | | |
|---|---|---|---|---|
| Intermediate: | 700' | 10.0 | 30 | No |
| | to | to | to | Control |
| | 4070' | 10.0 | 34 | |

Drill out from under surface casing with brine. Circulate a controlled section in the reserve pit with brine water + additives for solids control. May use paper to control seepage and additives to help with hole cleaning.

| | | | | |
|---|---|---|---|---|
| Production: | 4070' | 9.4 | 28 | No |
| | to | to | | Control |
| | 7800' | 9.8 | | |

Drill out from under intermediate casing with fresh water/cut brine. Circulate a separate controlled section of the reserve pit with fresh water/cut brine + additives for solids control. Use lime or caustic soda for a 9.0-10.0 Ph and paper to control seepage. Use additives for hole cleaning sweeps, if needed.

| | | | |
|---|---|---|---|
| 7800' | 8.8 | 30 | 15 |
| to | to | to | to |
| TD | 9.6 | 32 | 20 |

Start out brine polymer. Return to the steel working pits with clean cut brine and prepare a light mud-up before reaching TD and logging. Use additives for filtrate control. Density may be adjusted to control pressures that may be encountered by addition of brine or fresh water as needed. Use caustic soda to maintain at 9.0.