

MARALO, INC.
FEDERAL-CARSON NO. 1
CHAVES COUNTY, NEW MEXICO

Production Casing:

7 7/8" hole is to be drilled from the 8 5/8" OD casing seat to total depth. A 10.0 PPG brine water, using lime for pH control, is to be used. At approximately 6800' the hole is to be mudded up with salt water gel and 5% oil by volume (40 to 45 sec vis, NC on water loss). At approximately 9000' the water loss is to be reduced to 10 to 15 cc. Appropriate corrosion inhibitors are to be used.

5 1/2" OD casing is to be set at total depth if commercial shows are encountered; actual setting depth may vary. Estimated casing setting is as follows:

Description	Thds Off Length	From	To
Rotary Correction	10	0	10
5 1/2" OD, 17#/ft, N-80, LT&C Csg	1783	10	1793
5 1/2" OD, 17#/ft, K-55, LT&C Csg	5707	1793	7500
Howco DV Stage Cementing Tool	3	7500	7503
5 1/2" OD, 17#/ft, K-55, LT&C Csg	493	7503	7996
5 1/2" OD, 17#/ft, N-80, LT&C Csg	2560	7996	10,556
Float Collar	2	10,556	10,558
5 1/2" OD, 17#/ft, N-80, LT&C Csg	40	10,558	10,598
Float Shoe, down jet type *	2	10,598	10,600

* Float shoe is to be equipped with lateral exits as it is intended to rest part of the casing weight on bottom.

5 1/2" OD casing is to be inspected using a combination mechanical optical and magnetic particle full length; in addition, the casing is to be drifted.

The bottom three (3) joints are to be sealed with Howco-weld A. API modified thread lubricant is to be used on casing threads.

Positive type centralizers are to be used on bottom three (3) joints and are to be included over any possible prospective pay zones. Casing is also to be sand blasted to remove mill scale and lacquer across any prospective zones and bottom three (3) joints.

Prior to running the 5 1/2" casing, a caliper survey is to be run to determine actual cement volumes. Cement is to be calculated to fill the annulus to 3000' on the second stage. Casing will be cemented in two (2) stages as follows:

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OIL CONSERVATION COMM.
HOBBS, N. M.