

Comments:

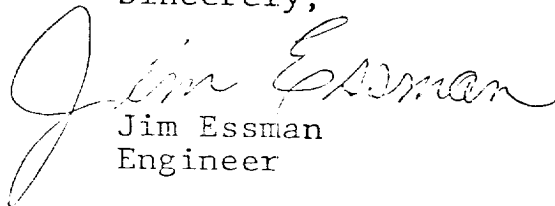
- 1) We suggest circulating a portion of the reserve pit returning to steel pits at mud up depth.
- 2) The majority of the operators in this area start mudding up around 150' above the Abo Section. This assures a good uniform drilling fluid prior to entry of the Abo Section.
- 3) A desander can be helpful from 6,030' to TD in controlling hole solids, reducing the amount of oil needed, and over all mud cost.
- 4) It will require appoximately 70 barrels of crude oil initially at 6,030' and approximately 10 to 15 barrels every other day to maintain oil content at 5 to 7% to TD.

Estimated Mud Cost: \$20,000.00 to \$22,000.00

The estimated mud cost is under normal conditions and does not include any extensive loss of circulation, fishing, etc.. This cost is also based on normal drilling rate per day, therefore, any excessive time spent on drilling due to crooked hole, testing, break downs, etc., would increase mud cost.

I hope this information will be of benefit to you and if we can be of any further service please do not hesitate to call.

Sincerely,


Jim Essman
Engineer

JFE/maj

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