6. Types and Characteristics of the Proposed Mud System:

This well will be drilled to TD with a combination of fresh water, brine and fresh water polymer systems. The applicable depths and properties of systems are planned as follows:

| DEPTH | TYPE | WEIGHT (ppg) | VISCOSITY (Sec) | WATER LOSS (cc) |
|---|---|---|---|---|
| 0 - 850' | Fresh Water-Gel | 8.4 - 8.9 | 30 - 32 | 25 cc - N/C |
| 850 - 4200' | Brine Water | 9.9 - 10.1 | 28 - 29 | N/C |
| 4200 - 6000' | Fresh Water | 8.4 - 8.5 | 28 | N/C |
| 6000 - TD | Fresh Water, Gel, Polymer | 8.7 - 9.1 | 30 - 36 | 12 cc or less |

Loss of circulation may occur in the Capitan Reef at about 2800'. If loss can not be corrected reasonably, it may be necessary to dry-drill from the loss depth to 4200'+/- . Sufficient mud mixing materials to maintain the mud properties and to meet reasonable lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Control and Monitoring Equipment:

A. A fully opened, fully serviceable drillpipe stabbing valve (inside BOP) with proper drillpipe connections will be on the rig floor at all times.

B. No H2S gas or abnormal pressures are known to exist, in this heavily developed area, down to the proposed TD. Therefore, no pit-volume totalizing system will be employed. The drilling fluid system will be visually monitored at all times.

8. Logging, Testing and Coring Program:

A. No drill stem tests are planned for this well.

B. Open hole electric logs at TD are planned to be as follows:

Compensated Neutron w/Z-Density & GR & Caliper from TD to 4200'; Gamma-Ray to surface.