Before drilling below the surface pipe, jet cuttings out of working pit into auxiliary pit and then switch from circulating through the working pit to circulating through the reserve pit with 10.1 ppg brine.

B. Production Hole:

Prior to drilling the cement plug, add ASP-725 through the hopper over 1 to 2 circulations at the rate of 20 gallons per 1000 barrels of fluid. Make certain to mix and agitate ASP 725 prior to adding to brine. ASP-725 is a cationic, liquid polyacrylamide designed to prevent hydration and migration of clays. Due to its cationic nature, bentonite and attapulgite will not hydrate and are useless in this fluid. If additional viscosity is required, use XCD, or Drispac plus.

Since ASP-725 is depleted from the system, some maintenance is required. Recommended maintenance is 5-6 gallons per tour through the mud hopper.

Lime should be used to control pH at 9.0. Paper may be used to control seepage losses.

Water flows while drilling the Rustler, Salt, and Yates formations may require deviation from this program.

Depth: 2550-3720' Weight: 10.0-10.1 Viscosity: 30-31 Filtrate: 6 or less

At 2550' begin to lower the fluid loss with starch. Stay in the reserve pit if total circulating volume is +/-1000 barrels. Fluid loss to be 6 cc's or less at 2650'.

Continue to add ASP-725 to the system at the rate of 5-6 gallons per tour. Caustic soda should be used to control pH at 9.0. Use paper and LCM to control seepage losses below 3550'.

At TD, sweep the hole using a high viscosity 100 barrel pill with Dynasweep and/or XCD or as recommended.

VII. CEMENTING PROGRAM

A. Surface Pipe:

Cement surface pipe with approximately 350 sacks (or as required to circulate cement to surface) of API Class-C cement containing 2% Calcium Chloride. Before resuming drilling operations, allow cement to set for a sufficient time to gain a 500-psi compressive strength (18 hours). Nipple up 3000# 10" BOP and test rams. Also before drilling the surface cementing plug, the pipe shall be tested to 1000 psi for 15 minutes.