

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a fresh water gel mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0-650'	Fresh Water (spud)	8.5	40-45	N.C.
650-2400'	Fresh Water gel	8.6	32	N.C.
2400-4950'	Fresh Water gel	8.4	28	N.C.
4950-TD	Fresh Water gel	8.6	34	15

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) The drilling fluids system will also be visually monitored at all times.
- (D) A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 650' to TD.

8. Logging, Testing and Coring Program:

- (A) Drillstem test will be run on the basis of drilling shows.
- (B) The electric logging program will consist of GR-Dual Induction-SFL and GR-Compensated Neutron-Density from TD to 4950'. GR-Compensated Neutron from 4950' to surface.
- (C) No conventional coring is anticipated.
- (D) Further testing procedures will be determined after the 4-1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 140°F and estimated maximum bottom-hole pressure (BHP) is 3500 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. A major loss circulation zone is expected at 3780'.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is May 1, 1995. Once commenced, the drilling operation should be finished in approximately 25 days. If the well is productive, an additional 7 days will be required for completion and testing before a decision is made to install permanent facilities.

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