

11. Proposed Circulation Medium:

Surface Hole: 0 - 400' Spud with a fresh water gel & lime-type drilling fluid.

Intermediate Hole: 400 - 3800' Drill out from under surface with brine.

Production Hole: 3800 - 11,700' Drill out from under intermediate with brine, using caustic soda for a pH of 10.0 to 10.5 to 8900'; then mud up with a salt water gel, sea mud & drispac type drilling fluid.

12. Testing, Logging & Coring Programs:

Testing: Possibility of drill stem tests in the Devonian formation through Ellenburger formation depending on drill breaks.

Logging: (1) Compensated Formation Density Log (2) Dual Laterolog

13. Potential Hazards: No abnormal pressures are anticipated.

14. Anticipated Starting Date & Duration of Operations: Commence drilling operations September 15, 1980. 90 days.

15. Other Facets of Operations: After total depth of well is reached, logs will be run and evaluated for possible commercial production. Casing will be run if possible commercial production is foreseeable. Well will then be perforated and treated and placed on production.