

Enron Oil & Gas Company  
Hallwood "1" Federal, Well No. 7  
2130' FNL & 1980' FWL  
Sec. 1, T25S, R33E  
Lea County, New Mexico

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of brine, cut brine, and fresh water. 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>
0-600'	Fresh water (spud)	8.5	40-45	N.C.
600'-5200'	Brine water	10.0	30	N.C.
5200'-12600'	Cut Brine	8.8-9.2	28	N.C.

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) A mud logging unit complete with H<sub>2</sub>S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 4500' to TD.