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SOUTHWESTERN NATURAL GAS, INC.

Drilling Prognosis

OGT 0 5 1966

RE:

Kerr McGee Federal #1

NM - 0445684 A

660' FNL, 1980 FWL Sec. 33,
T-19-S, R-31-E, NMPM

Lusk Strawn Field

Eddy County, New Mexico

Drilling, Casing and Cementing Program

- 1. Drill 17-1/2" hole to 700' (into anhydrite). Cement 13-3/8", 48# casing to surface (circulate).
- 2. Test casing to 1000 psi for 30 minutes.
- 3. Drill 11" hole to 4200'. Run 8-5/8", 32# casing to 4200', with DV packer above possible lost circulation zone at 2600-2700'; two stage cement with sufficient cement on second stage to fill above DV packer to base of salt section at 2100'.
- 4. Run temperature survey. Pressure testand tool to 1000 psi for 30 minutes; drill out and test 8-5/8" casing to 1000 psi for 30 minutes.
- 5. Drill 7-7/8" hole to TD approximately 11,500'. Run and cement 4-1/2", 11.6# casing with sufficient cement to fill annulus 1000' above Strawn.

Mud Program

- 1. Surface 0 700'. Spud mud with lost circulation material if needed.
- 2. Intermediate 700' 4200'; fresh water with possibility of dry-drilling below 2600'.
- 3. Long 4200' 11,500'; fresh water with surfactant and lost circulation material if needed. Mud-up at approximately 11,100', low solids, weight 8.9 9.0, viscosity 38 42 seconds, water loss 10-15 cc.

Miscellaneous

- 1. Proper blow-out preventers will be used of sufficient capacity to meet all normal down-hole conditions to be expected.
- 2. Deviation surveys will be made on every trip or 500° , whichever is first. Maximum deviation allowed 6° .