

PHILLIPS PETROLEUM COMPANY
James E Well No. 3

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit B, 500' FNL & 1800' FEL of Section 11, T-22-S, R-30-E, Eddy County, New Mexico
2. Unprepared Ground Elevation: 3188.8'
3. The geologic name of the surface formation is Delaware.
4. Type of drilling tools wills be rotary.
5. Proposed drilling depth is 7500'.
6. The estimated tops of important geologic markers are as follows:

<u>Rustler - 170'</u>	<u>Brushy Canyon - 5800'</u>
<u>Salado - 520'</u>	<u>Bone Springs - 7500'</u>
<u>Bell Canyon - 3650'</u>	
<u>Cherry Canyon - 4450'</u>	
7. The proposed casing program is as follows:

<u>Surface String 13-3/8" 48# @ 400'</u>
<u>Intermediate String: 8-5/8" 24# @ 3500'</u>
<u>Production String: 5-1/2" 15.5# @ 7500'</u>
8. Cement Program:

<u>Surface String: Circulate to surface with 800 sacks Class "C" + 2% CaCl2. Slurry Weight: 14.8 ppg; Slurry Yield: 1.32 cf/sack 6.3 gals water/sack.</u>
<u>Intermediate String: Cement must be circulated to surface. Run fluid caliper at casing point. Add 30% excess to caliper volume. Tail w/200 sacks Class "C" + 10#/sack salt. Slurry Weight: 15.2 ppg; Slurry Yield: 1.38 cu ft/sack; 6.3 gal water/sack.</u>
<u>Production String: Circulate to desired TOC based on caliper volume + 30% excess. Run temperature survey to determine TOC. Slurry Weight: 12.0 ppg; Slurry Yield: 2.69 cf/sack; 15.5 gal water/sack. Tail w/Class "C" Neat. Desired TOC = 4500'. Slurry Weight: 14.8 ppg; Slurry Yield: 1.32 cf/sack; 6.3 gal water/sack.</u>
9. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are attached.
10. Fresh water mud
11. The testing, logging, and coring programs are as follows:

<u>D.S.T.'s or cores: one 60' core 5620'-5680'</u>
<u>Logs: Dual Induction/GR/Cal TD-3500';</u>
<u>LDT/CNL/GR/Cal TD-3500';</u>
<u>FMS 6500'-5500'</u>