

PHILLIPS PETROLEUM COMPANY  
Livingston Ridge Well No. 3  
Eddy County, New Mexico

DRILLING PROGNOSIS

1. Location of Proposed Well: Surface location - 1450' FNL & 660' FWL  
and bottom hole location - 1980' FNL &  
660' FWL of Sec. 1, T-22-S, R-30-E,  
Eddy County, New Mexico

2. Unprepared Ground Elevation: 3312'

3. The geologic name of the surface formation is See Archaeological  
Survey

4. Type of drilling tools will be rotary.

5. Proposed drilling depth is 7700'.

6. The estimated tops of important geologic markers are as follows:

<u>Rustler</u>	<u>315'</u>	<u>Brushy Canyon</u>	<u>5980'</u>
<u>Salado</u>	<u>620'</u>	<u>Bone Springs</u>	<u>7650'</u>
<u>Delaware Mt.</u>	<u>3780'</u>		
<u>Cherry Canyon</u>	<u>4600'</u>		

7. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Oil: Brushy Canyon 5980'

8. The proposed casing program is as follows:

Surface String 13-3/8", 48# set @ 475'  
Intermediate String 8-5/8", 24# set @ 3700'  
Production String 5-1/2", 14#, 15.5# set @ 7700'

9. Cement Program:

Surface String - Cement to surface w/650 sacks Class C cement.

Intermediate String - Cement to surface with 1200 sacks Class C.

Production String - Cement with 900 sacks C - estimated top of cement  
3500'.