

HOLE PROGNOSIS

APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
NASH DRAW UNIT #11 WELL
498' FSL & 2000' FWL
SECTION 12-23S-29E
EDDY COUNTY, NEW MEXICO

In conjunction with form 3160-3, Application for Permit to Drill, Strata Production Company submits the following items in accordance with Onshore Oil and Gas Order Numbers 1 and 2, and all other applicable federal and state regulations.

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Geologic Markers:

Rustler	Surface	Lamar	3180'
Top of Salt	350'	Bone Spring	6690'
Base of Salt	2820'	T.D.	7300'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Surface	150'	Fresh Water
Delaware	3180' - 6990'	Oil or Gas

No other formations are expected to produce oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13 3/8" casing at 300' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across the zone by inserting a cementing stage tool into the 5 1/2" production casing which will be run at TD.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csq</u>	<u>Weight, Grade, Jt. Cond, Type</u>
17 1/2"	0-300'	13 3/8"	48#, H-40, ST&C, New
12 1/4"	0-3000'	8 5/8"	32# XXXX J-55, ST&C, New
7 7/8"	0-TD	5 1/2"	130 & 17#, J-55, LT&C, New

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