

**TIGHT HOLE
CONFIDENTIAL**

HOLE PROGNOSIS
APPLICATION FOR PERMIT TO RE-ENTER
WELL FORMERLY NAMED: MEANDER "11" FEDERAL #1
FORMERLY OPERATED BY THE SUPERIOR OIL COMPANY
RENAMED HEREIN
SHEARNWEST FEDERAL #1
TO BE OPERATED BY
ENERGEX COMPANY
660' FEL & 1980' FSL
SECTION 11, T25S, R25E, EDDY CO, NM

In conjunction with form 3160-5, Sundry Notices and Reports on Wells, Energex 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 Red Beds

2. Estimated Tops of Geologic Markers: The Tops of important geologic markers are as follows:

Delaware Bell Canyon	1,491'
Bone Spring	5,003'
Wolfcamp	8,003'
Strawn	10,198'
Atoka	10,399'
Morrow	10,972'

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

Oil Delaware @ 1550', 2535', 2950', 4270' & 4410'
Bone Spring @ 5084'

No other formations are expected to produce oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by the 10-3/4" casing set at 1530' and cemented with 1150 sacks Class C cement.

4. Casing Program:

Hole Size	Interval	OD Csg.	Weight, Grade, Jt. Cond, Type
12-1/2"	0-1530'	10-3/4"	45.5#
9-1/2"	0-8857'	7-5/8"	26.4# (Pulled 4339')

After PA=4518'

Energex will run 7-5/8" 26.4# casing with an overshot and tie into the 7-5/8" casing @ 4518'; then the 7-5/8" casing will be cemented with approximately 1100 sx Class C cement to tie back into the 10-3/4" casing.