PHILLIPS PETROLEUM COMPANY
Peak View #4

DRILLING PROGNOSIS

1. Location of Proposed Well: 2030' FSL & 2030' FEL, Sec. 35, T-21-S, R-30-E, Eddy County, NM

2. Unprepared Ground Elevation: 3235.

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 7600'.

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

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

7. The proposed casing program is as follows:

Surface String 13-3/8" 54.5# K-55 set @400'
Intermediate String 8-5/8" 24# K-55 set @ 3500'
Production String 5-1/2" 15.5# K-55 set @ 7600'

8. Cement Program:
Surface String - Circulate to surface w/700 sacks Class C + 2% CaCl2. Slurry weight 14.8 ppg, slurry yield 1.32 ft 3/sack. Water requirements 6.3 gal/sack. Intermediate casing - lead - 1000 sack Class "C" 65/35 POZ + 6% Bentonite + 15#/sack salt. Slurry weight 13.2 ppg. Slurry yield 1.92 ft 3/gal.

Water Requirement: 9.9 gal/sack. Tail: 200 sacks Class C + 10#/sack salt. Slurry weight: 15.2 ppg. Slurry yield: 1.38 ft 3/sk. Water requirements: 6.3 gal/sack. Production string - lead: 250 sack Class C + 20% Diacel D. Desired TOC = 3000'. Slurry weight: 12.0 ppg. Slurry yield: 2.69 ft 3/sack. Water requirements: 15.5 gal/sack. Tail: 600 sk Class C neat. Desired TOC - 5000'. Slurry weight: 14.8 ppg. Slurry yield: 1.32 ft 3/sack. Water requirement: 6.3 gal/sack.

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. The proposed mud program is attached.