

HOLE PROGNOSIS
FORM 3160-3 APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
LEE FEDERAL #9 WELL
990' FNL & 330' FWL
SECTION 25-20S-28E
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	430'	Cherry Canyon	3090'
Base of Salado (Salt)	2550'	TD	3500'
Delaware	2790'		

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

Surface	150'	Fresh Water
Delaware	2790' - 3500'	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 400' and circulating cement to surface. 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.