

HOLE PROGNOSIS
APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
NASH UNIT #5 WELL
2310' FSL & 330' FEL
SECTION 13-23S-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	Ramsey Sand	3190'
Top of Salt	290'	Cherry Canyon	4190'
Castille	1775'	Brushy Canyon	5246'
Salado	2820'	Bone Spring	6897'
Lamar Lime	3142'	T.D.	7400'

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

Surface	150'	Fresh Water
Delaware	3142' - 6897'	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 Csg</u>	<u>Weight, Grade, Jt. Cond, Type</u>
7 7/8"	0-TD	5 1/2"	15# & 17#, J-55, LT&C, New