

PHILLIPS PETROLEUM COMPANY  
Livingston Ridge Well No. 2  
Eddy County, New Mexico

DRILLING PROGNOSIS

1. Location of Proposed Well: Surface: 1200' FWL & 2240' FSL;  
Producing zone 1980' FSL & 660' FWL of  
Sec. 1, T-22-S, R-30-E, Eddy County,  
New Mexico

2. Unprepared Ground Elevation: 3315'

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 12,500'.

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

<u>Rustler</u>	<u>315'</u>	<u>Brushy Canyon</u>	<u>5980'</u>
<u>Salado</u>	<u>620'</u>	<u>Bone Springs</u>	<u>7650'</u>
<u>Delaware Mt.</u>	<u>3780'</u>	<u>Strawn</u>	<u>12340'</u>
<u>Cherry Canyon</u>	<u>4600'</u>		

7. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Oil: Strawn 12340'

8. The proposed casing program is as follows:

Surface String 20", 94# set at 475'  
Intermediate String 13-3/8", 54.5# & 61# set at 3700'  
Production String 8-5/8", 36# & 40# set at 11,700'  
Liner 5", 15#, top @ 11,400' set @ 12,500'

9. Cement Program:

Surface String = Cement to surface w/800 sacks Class C cement.

Intermediate String = Cement to surface with 1800 sacks Class C.

Production String = 1st stage - tool at 7500', 400 sk H-TOC @ 10500'.

2nd stage - lead 300 sk C -TOC @ 3200'; tail 600 sk C Neat - TOC  
4500'.

Liner = Cemented w/150 sk H.