

DRILLING PROGNOSIS

OPERATOR Hallwood Petroleum, Inc. DATE 8/03/92
WELL NAME O'Shea #2-3 PREPARED BY KEO/JMG
LOCATION SW/4 Section 3-T31N-R13W
COUNTY San Juan STATE New Mexico PROPOSED TD 2,175'

TUBULAR PROGRAM:

HOLE SIZE	CASING/ TUBING	FROM	TO	SIZE	WEIGHT	GRADE	CPLG
<u>12-1/4"</u>	<u>CSG</u>	<u>0</u>	<u>350</u>	<u>8-5/8"</u>	<u>24#</u>	<u>J-55</u>	<u>STXC</u>
<u>7-7/8"</u>	<u>CSG</u>	<u>0</u>	<u>2,175</u>	<u>5-1/2"</u>	<u>15.50#</u>	<u>J-55</u>	<u>LTXC</u>

MUD PROGRAM:

<u>TYPE</u>	<u>DEPTH</u>	<u>RHEOLOGY -</u>	<u>WT</u>	<u>VIS</u>	<u>WL</u>	<u>ETC</u>
<u>Surface hole - Native mud.</u>						
<u>Production hole - Native mud with 45-50 viscosity for logging.</u>						

CEMENT PROGRAM:

<u>INTERVAL STAGE</u>	<u>EST. SLURRY VOLUME</u>	<u>SLURRY CHARACTERISTICS</u>	<u>EQUIPMENT: DV, SCRATCHER CENTRALIZERS, SHOE, ETC.</u>
<u>Surface Csg.</u>	<u>250 sx</u>	<u>Class "B"</u>	<u>One centralizer on shoe jt.</u>
<u>Production Csg.</u>	<u>300 sx</u>	<u>Lead cemet (65:35) Poz) followed by</u>	
	<u>50 sx</u>	<u>Class "B" tail cement. See info below</u>	
		<u>under "Special Equipment".</u>	

BIT PROGRAM:

Footage contract, contractors responsibility.

DRILLING HAZARDS/PRODUCTION PROBLEMS:

Keep mud weight under 9.0 ppg to minimize any chance of lost circulation.

DEVIATION SURVEYS/PRODUCTION PROBLEMS:

Take Totco's every 500'.

WELLHEAD:

3000 psi (minimum) required.

SPECIAL EQUIPMENT/TECHNIQUE:

We plan to try a slotted casing completion technique on this well which will consist of slotted casing across the Fruitland Coal zones and an exterior casing packer at the top of the coal on the casing string with cement to surface. A detailed schematic is attached. Actual tops and depths may vary as drilling progresses.

SPECIAL PERSONNEL REQUIREMENTS:

None planned.