

O'BRIANT ENGINEERING

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Mr. Sam Snow
Read & Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88201

19-Dec-87

Re: **PRODUCTION CASING REPORT (5-1/2")**
North Lea Federal No. 3
Lea County, New Mexico

Dear Mr. Snow:

The well was spudded at 10:15 AM MDST, October 19, 1987. A 17-1/2" hole was drilled to 1,595' KB where 13-3/8 inch casing was set. Drilling continued with twelve and one-fourth inch and eleven inch bits to 5,195' KB where 8-5/8" intermediate casing was set and cemented. Drilling was resumed with a 7-7/8" bit; total depth of 13,730' KB was reached 12/11/87. Five and one half inch production casing was set at total depth and cemented in place; details follow.

All casing is 5-1/2", LT & C; see following for other details.

| Item (bottom to top) | | Length | Top of Section - KB |
|----------------------|--|-------------------|------------------------|
| | Halliburton float shoe (thread locked) | 1.70' | 13,736.30' |
| 1 | Joint (thread locked), 23*/ft, N-80 | 35.35' | 13,700.95' |
| | Halliburton float collar (thread locked) | 1.30' | 13,699.65' |
| 92 | Joints (thread locked bottom jt.), 23*/ft, N-80 | 3,595.39' | 10,104.26' |
| | Halliburton DV tool (thread locked top & bottom) | 3.30' | 10,100.96' |
| 7 | Joints, 23*/ft, N-80 | 253.12' | 9,847.84' |
| 35 | Joints, 20*/ft, N-80 | 1,378.69' | 8,469.15' |
| 122 | Joints, 23*/ft, N-80 | 5,153.99' | 3,315.16' |
| 23 | Joints, 23*/ft, S-95 | 1,084.83' | 2,230.33' |
| 58 | Joints, 23*/ft, P-110 | 2,212.33' | 18.00' |
| 338 | Total Pipe | 13,720.00' | |
| | KB to C H F | 18.00' | |
| | Casing set at (casing tally): | 13,738.00' | KB |

Notes: Ran 20 centralizers & 5 baskets; see tally and notes for details on sand blasted intervals, make-up torque, etc.