

HOLE PROGNOSIS
 APPLICATION FOR PERMIT TO DRILL
 STRATA PRODUCTION COMPANY
 CERCION FEDERAL #7 WELL
 1985' FNL & 657' FWL
 SECTION 22-T22S-R32E

In conjunction with form 3160-5, Sundry Notices and Reports on Wells, 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	870'	Lamar	4720'
Top of Salt	1020'	Bone Spring	8610'
Base of Salt	4410'	T.D.	8950'

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

Surface	150'	Fresh Water
Delaware	4720' - 8750'	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 8 5/8" casing at 634' 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 csq</u>	<u>Weight, Grade, Jt. Cond, Type</u>
7 7/8"	0-TD	5 1/2"	17#, J-55, LT&C, New