

HOLE PROGNOSIS
APPLICATION FOR PERMIT TO DRILL
STRATA PRODUCTION COMPANY
PAISANO FEDERAL #4 WELL
990' FNL & 1650' FWL
SECTION 15-22S-32E
LEA COUNTY, NM

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	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 setting 13 3/8" casing at 600' 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>
17 1/2"	0-600'	13 3/8"	48#, H-40, ST&C, New
11"	0-4460'	8 5/8"	24# & 32#, J-55, ST&C, New
7 7/8"	0-TD	5 1/2"	17#, J-55, LT&C, New