

PHILLIPS PETROLEUM COMPANY  
Luke Fed Well No. 2  
Lea County, New Mexico

DRILLING PROGNOSIS

1. Location of Proposed Well: 660' FNL & 660' FWL, Section 31, T-21-S,  
R-32-E, Lea County, New Mexico

2. Unprepared Ground Elevation: 3672' (Unprepared)

3. The geologic name of the surface formation is See Archaeological  
Survey Quaternary - Alluvium

4. Type of drilling tools will be rotary.

5. Proposed drilling depth is 8700'.

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

<u>Rustler</u>	<u>614'</u>	<u>2 Finger Lime</u>	<u>5309'</u>
<u>Salado</u>	<u>935'</u>	<u>Brushy Canyon</u>	<u>6629'</u>
<u>Bell Canyon</u>	<u>4537'</u>	<u>Bone Spring</u>	<u>8467'</u>
<u>Cherry Canyon</u>	<u>5207'</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: Delaware 6750'

8. The proposed casing program is as follows:

Surface String 13-3/8", 48#, set at 850'  
Intermediate String 8-5/8", 24#, 32# set at 4500'.  
Production String 5-1/2", 15.5# set at 8700'.  
17#

9. Cement Program:

Surface String - Cement to surface with 700 sacks Class C cement.

Intermediate String - Cemented to surface with 1500 sks Class C. tail  
w/200 sks Class C.

Production String - Cement with 750 sacks C. tail w/400 sks Class C  
Neat - estimated top of cement 4000'.