TENNECO OIL AND GAS COMPANY
PROGNOSIS TO DRILL AND COMPLETE

Lease: Eugene E. Perry-USA Well No.: 3

District: Hobbs Field: Paduca Area

Location: 1980' FSL & 1980' FEL, Sec 21, T-23-S, R-32-E

Projected Horizon: Delaware Sand

Estimated TD: 4800' Estimated Elevation: 3419' GL

Drilling, Casing, and Cement:

1. Drill 12 ¼" hole to approximately 350'.
2. Cement 8 5/8" casing at approximately 350' w/sufficient volume to circulate.
3. WOC 24 hrs. Release pressure and install BOP after 12 hrs. Pressure test casing w/600 psi for 30 minutes after WOC 18 hrs.
4. Drill 7 7/8" hole to Delaware Sand core point at approximately 4650'. Exact coring depth to be determined by wellsite Exploitation Engineer.
5. Core from 4650' to 4800' w/7 13/16" diamond bit.
6. Set 5½" casing at TD w/130 sacks of 50/50 Pozmix "H" and regular w/2% gel (or equivalent).
7. WOC 18 hrs. Run temperature survey after WOC 8 hrs. Pressure can be released if plug holds; otherwise, hold pressure on casing for 3 hours.
8. Run tubing and pressure test casing w/1500 psig for 30 minutes after WOC 18 hours.
9. Displace water w/oil.
10. Release rotary rig.

Drilling Mud:

1. Drill w/fresh water native mud to TD. Mud properties will be adjusted to meet requirements for good samples, coring, and drill stem tests. Prior to coring or running a drill stem test, the mud should have the following properties: Viscosity 35-40, water loss 5 to 10cc or less in 30 minutes, filter cake 2/32" or less.
2. No oil will be added without consent of wellsite Exploitation Engineer.

Drill Stem Tests:

1. One drill stem test may be run in the Delaware Sand between 4600' and 4700'.

Drilling Time:

1. Record 1' drilling time from surface to TD using Geolograph.
2. Record 1' drilling time in addition to Geolograph while coring.

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Drill Pipe Measurement:

1. Tally drill pipe on last two trips prior to reaching casing point.
2. Tally drill pipe in strain under company supervision at all casing points, coring points, drill stem test points, and at TD.

Samples:

1. Catch one set of 10' drilling samples from 4300' to TD unless otherwise directed by wellsite Exploitation Engineer.
2. No time lag will be made in catching samples and 15 minute circulating samples will be caught for a period of one hour while circulating unless otherwise directed by the wellsite Exploitation Engineer.
3. Samples will be washed thoroughly, sacked, and labeled as directed by the wellsite Exploitation Engineer.
4. Two one-quart samples will be caught and labeled of any fluid recovered by drill stem tests.

Hole Deviation:

1. Run hole deviation every 100' on surface hole.
2. Run hole deviation survey on each trip for bit or every 500', whichever occurs sooner.
3. Maximum hole deviation from surface to TD shall be 4 degrees.
4. If hole deviation changes more than 1 1/2 degrees in any 100' interval, a string reamer will be run to wipe out dog leg.
5. If hole deviation changes more than 2 degrees in any 100' interval, the hole shall be plugged back and straightened out.

Survey:

1. Run GR/Sonic log from casing to TD and Laterolog from approximately 4400' to TD.
2. Run temperature survey on 5 1/2" casing string after WOC 8 hours.
3. Run GR correlation log through pay section after cementing 5 1/2" casing.

Completion:

To be determined at total depth.

ORIGINAL SIGNED BY
C. W. NANCE

APPROVED: _____
C. W. Nance

ORIGINAL
SIGNED BY A. W. LANG

APPROVED: _____
A. W. Lang

CWN/lm

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NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128
Revised 5/1/57

WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator	Lease	Well No.
TENNESSEE GAS TRANS. CO.	EUGENE H. PERRY USA	3

Unit Letter	Section	Township	Range	County
G	21	25 SOUTH	32 EAST	LEA

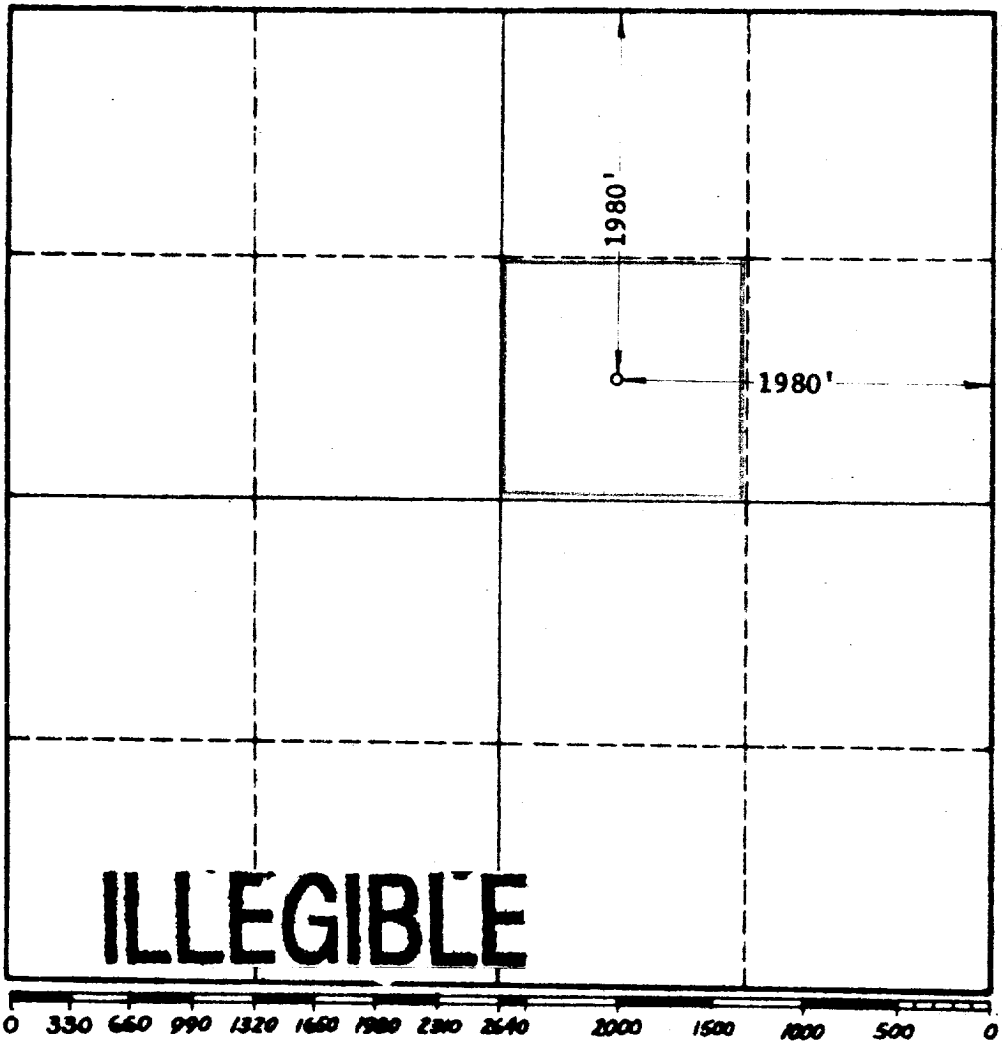
Actual Footage Location of Well:
1980 feet from the NORTH line and 1980 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3408.00	Delaware Sand	Undesignated	40 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO ____. *("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)*
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES____ NO ____. If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in *SECTION A* above is true and complete to the best of my knowledge and belief.

Name: A. W. Long
Position: District Production Supt.
Company: Tennessee Gas Trans. Co.
Date: December 22, 1960

I hereby certify that the well location shown on the plat in *SECTION B* was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 12/21/60

Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST

John W. West

Certificate No. N. M. - P.E. & L.S. NO. 676