

SUPPLEMENTAL INFORMATION

Re: Application for Permit to Drill
McCollum No. 2 Well, 330' FSL, 990' FEL Sec. 12, T20N, R6W
McKinley County, New Mexico

The following supplemental information is submitted to comply with NTL-6 and should be read in conjunction with form 9-331C, "Application for Permit to Drill, Deepen or Plug Back":

Move in, rig up rotary tools, drill 9-7/8" hole to 100'; run new 7-5/8" 20 lb. K-55 casing and cement with 75 sacks of Class B + 2% calcium chloride. Wait on cement 12 hours, install 6" Guiberson 600 Series blow-out preventer. Blow-out preventer will be pressure tested prior to drilling out from under surface, and tested daily to insure sound mechanical operations.

Well will be drilled with native mud to 1800'; from 1800' to TD a gel chemical system will be used with the following characteristics:

Weight 9 - 9.5 lb. per gallon
Viscosity 35 - 60 seconds per quart
Water loss - less than 10 c.c.

No cores or DSTs will be taken. Upon reaching TD, IES, FDS and Gamma Ray logs will be run. No abnormal temperatures or pressures are expected.

Assuming well is determined to be a producer, new 4 1/2" 9.5 lb. K-55 casing will be set at 3,000 feet and cemented with 125 sacks of Class B + 2% calcium chloride.

Anticipated formation tips are as follows:

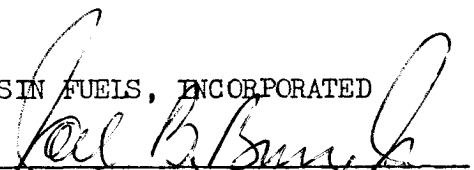
La Ventana	1060'
Chacra	1300'
Cliffhouse	1850'
Menefee	1930'
Point Lookout	2720'

Kelly cocks, floats at the bit, monitoring equipment on the mud system, a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string will be available for use in blow-out control

Dated: November 7, 1977

BASIN FUELS, INCORPORATED

By


Joel B. Burr, Jr., President