

APPLICATION FOR DRILLING

CANDY BUTTE #4

SANDOVAL COUNTY, NEW MEXICO

In conjunction with permitting subject well for drilling in Section 14, T.17N, R.3W, N.M.P.M., Hanson Oil Corporation submits the following Ten (10) points of pertinent information in accordance with United States Geological Survey letter of July 1, 1976:

1. The surface formation is of the Travessilla-Persayo-Rockland association.
2. The estimated tops of geologic markers are as follows:

Mesa Verde Surface

3. The depth at which water is expected to be encountered is at approximately 200'. The depth at which oil and gas is expected to be encountered is at 350' - 450'.
4. Casing Program:

16" conductor to 10'
20# H-40 7" to 450' (New)
5. Blowout preventer: Ram type, series 900 with double hydraulic 10# rams. This is a Shaffer blowout preventer (3000# working pressure) with a Payne closing unit. In the event a different brand of blowout preventer is used, the different blowout preventer will be of a like or better quality. The fill, kill, and choke lines are indicated on the blowout preventer specifications sheet, Exhibit #6.
6. Circulating Medium: Steel pits will be used to hold mud and cuttings and the drilling fluid as follows:

<u>DEPTH</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>
0-30'	8.6 - 8.9	As required	N/C

Drill this interval with a Gel/lime slurry with sufficient viscosity to clean hole, land and cement surface casing.

<u>DEPTH</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>
30-450'	8.9 - 9.6	34-42	6cc