

APPLICATION FOR PERMIT TO DRILL
SENDERO PETROLEUM INC.
PRONGHORN FEDERAL #1 (RE-ENTRY)
660' FSL & 660' FEL
SECTION 8, T-21-S, R-23-E; NMPM

In conjunction with Form 3160-3, Application for Permit to Drill, Sendero Petroleum Inc. submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian Age.

2. Tops of geologic markers are as follows:

San Andres	283'
Glorieta	1903'
First Bone Springs Carb.	3096'
Second Bone Springs Carb.	4647'
Third Bone Springs Sand	5213'
Wolfcamp	5920'
Cisco	7213'

3. The estimated depths at which water, oil, or gas formations are expected to be encountered:

Cisco	7213'
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Groundwater is protected by 13-3/8" surface casing with cement circulated to the surface. Intermediate 9-5/8" casing was set at 1678' and cement circulated to surface.

Potentially productive horizons to be protected by 5" production casing with cement tied back to approximately 6000'.

4. Proposed Casing Program: See Form 3160-3 and Exhibit F.

5. Pressure Control Equipment: See Exhibit E.

6. Mud Program: See Exhibit G.

7. Electric Logs: Gamma Ray Correlation Log only.

8. Abnormal Pressures, Temperatures or Other Hazards: None

9. Anticipated Starting Date: June 15, 1990