

APPLICATION FOR DRILLING

MGF OIL CORPORATION  
Rutter Federal, Well No. 1  
1980' FEL & 660' FSL, Sec. 14, T10S, R29E  
Chaves County, New Mexico  
Lease No.: NM 14774

In conjunction with Form 9-331C, Application for Permit to Drill subject well, MGF Oil Corporation submits the following items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Yates	1290'	Canyon	8100'
San Andres	2610'	Strawn	8360'
Glorieta	3900'	Atoka	9040'
Tubb	5380'	Morrow	9200'
Abo	6240'	Mississippian Lm.	9350'
Wolfcamp	7250'	Total depth	9800'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: At approximately 100' to 300'.

Oil and/or Gas: Abo at approximately 7150'-7200'.  
Atoka at approximately 9160'-9180'.  
Morrow at approximately 9250'-9350'.  
Mississippian Lime at approximately 9350'-9700'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "C".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve. The mud system monitoring equipment will be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented.
8. Testing, Logging and Coring Program:

Drill Stem Tests: One possible test in each of the following:

Abo	7150'-7200'
Atoka	9160'-9180'
Morrow	9250'-9350'
Miss. Lime	9350'-9700'

Logging: GR-Dual Laterolog-RxO-CAL Int. Csg. to T.D.  
GR-FDC-CNL-CAL Int. Csg. to T.D.

Coring: None
9. No abnormal pressures or temperatures are anticipated, but will set up a preventative program in case any abnormal pressures are encountered.