

DEPCO, INC.
800 CENTRAL
ODESSA, TX 79761

APPLICATION FOR DRILLING

DEPCO, INC.

NO. 8 ROSE FEDERAL

CHAVES COUNTY, NEW MEXICO

In conjunction with Form 9-331C, Application for Permit to Drill, DEPCO, Inc. submits the following items of pertinent information in accordance with USGS requirements.

1. The estimated tops of geologic markers are as follows:

SAN ANDRES	580'
GLORIETA	1590'
ABO	3630'

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

WATER: Approximately 900 feet or less
GAS: ABO 3630'

3. Proposed casing Program: See Form 9-331C
4. Pressure Control Equipment: See Form 9-331C and Exhibit D.
5. Mud Program: See Form 9-331C and attached letter from Marrs Mud Company,
6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelly Cock.
7. Testing, Logging and Coring Program:

DRILL STEM TEST: ABO

10-foot samples from surface casing to TD
LOGGING: DUAL LATEROLOG AND COMPENSATED NEUTRON/DENSITY
WITH GAMMA RAY AND CALIPER

8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.