APPLICATION FOR DRILLING

Cibola Energy Corporation Agua Negra #2, Sec. 18-98-28E 2310 FNL & 990 FEL Chaves County, New Mexico

In conjuction with form 9-331C, Application for Permit to Drill Subject Well, Cibola Energy Corporation submits the following ten items of pertinent information in accordance with U.S. Minerals Management Service requirements.

1. The geologic surface is Quaternary fill.

2. Estimated tops of geologic markers:

| | Depth | Subsea |
|------------|-------|--------|
| Yates | 502 | +3387 |
| San Andres | 1652 | +2237 |
| Slaughter | 2290 | +1599 |

3. The estimated depth at which water, oil or gas are expected:

Water 502 Oil & Gas - Slaughter 2290

4. Proposed casing program - See form 9-331C

5. Pressure control equipment: See form 9-331C.

6. Mud program - No Mud Program. Air Rotary.

7. Auxiliary Equipment - None

8. Testing, and logging program - There will be no DST's. Logging program to include CNL density and Dual Induction.

9. No abnormal pressures or temperatures are expected.

10. Anticipated starting date is Sept 23, 1985.

11. EOP Diagram - See Exhibit A.