

APPLICATION FOR DRILLING

Durham, Inc.
N.N.G.-M Federal Com. No. 1
660' FSL and 1980' FEL
Section 25, T-15-S, R-26-E
Chaves County, New Mexico

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

1. The geologic surface formation is the Yates.
2. The estimated tops of geologic markers are as follows:

Queen	648'	Wolfcamp	6075'
San Andres	1403'	Strawn	7750'
Glorieta	2657'	Atoka	8051'
Tubb	4118'		
Abo	4856'		

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

Water: Approximately 200 feet
Oil or gas: Atoka at approximately 8051 - 8100'
Penn at approximately 7100 - 7200'

4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Exhibit E.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Ram type blowout preventer, annular and rotating type blowout preventers, Kelley cock.
8. Testing, logging and coring programs:

Electric logging: GR/CNL: TD - Surf
Logging: Mud logging from 6500' to TD
Coring: None
Drill Stem Tests: Atoka - 1
Penn - 2
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: July 15, 1979.