

APPLICATION FOR DRILLING

DEPCO, Inc.
Papalotes Federal Section 14-15S-28E
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	2130
Glorieta	3980
Tubb	4850
Abo	5650
Wolfcamp	6900
Cisco	7530
Canyon	8130
Strawn	8750
Atoka	9080
Morrow	9290
Chester	9590
Mississippi Ls	9650
TD	9700

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

Water:	Approximately 100 feet or less.	
Oil and Gas	Cisco	7530-8130
	Atoka	9080-9290
	Morrow	9290-9590

3. Proposed Casing Program: See Form 9-331C.

4. Pressure Control Equipment: See Form 9-331C and Exhibit E.

5. Mud Program: See Form 9-331C and attached letter from Texas Mud & Chemical Co.

6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.

7. Testing, Logging and Coring Program:

Drill Stem Test:	Cisco	-1
	Atoka	-1
	Morrow	-2

10-foot samples from 6500 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.