

APPLICATION FOR DRILLING

READ & STEVENS, INC.
Langley Federal Comm., Well No. 3
1190' FSL & 2310' FEL, Sec. 14-T15S-R27E
Chaves County, New Mexico
Lease No.: NM-2363
(Development Well)

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

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

Queen	905'	Cisco	7048'
San Andres	1610'	Canyon	7430'
Glorieta	2665'	Strawn	8000'
Tubb	4335'	Atoka	8380'
Abo	5115'	Miss. Lime	8698'
Wolfcamp	6255'	T. D.	9100'
3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:

Water: Possible surface water expected between 200 - 400 feet.

Gas: Atoka at approximately 8450'.

Oil: San Andres at approximately 1625'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:

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

Strawn	8000' - 8100'
Atoka	8380' - 8480'

Logging: Gamma Ray Surface to T. D.
 FDC/CNL Int. Csg. to T. D.
 Dual Ind. Laterolog Int. Csg. to T. D.

Coring: None.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: June 15, 1985.
Anticipated completion of drilling operations: Approximately 35 days.