

# APPLICATION FOR DRILLING

FRED M. NEWMAN, INC.

No. 2 Conoco Federal - Section 10 - T16S - R29E

Eddy County, New Mexico

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

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

Yates	870'
Seven Rivers	1100'
Queen	1600'
Grayburg	2550'

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

Grayburg	2550-2600'
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3. Proposed casing program - See Form 9-331C.
4. Pressure Control Equipment - See Form 9-331C and Exhibit.
5. Mud Program: None planned-cable tool hole. See Form 9-331C.
6. Auxiliary Equipment

7. Testing, Logging, and Coring Program:

DST - None planned

Catch 5' samples from surface to 1600'

Catch 2' samples 1600' to T.D.

Logging - Run: Resistivity log openhole  
Run Gamma Ray Neutron in casing  
Coring - None planned

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