APPLICATION FOR DRILLING

EAGLE OIL & GAS CO. Crow Flats "A" Federal, Well No. 2 2310' FSL & 660' FEL, Sec. 19-T16S-R20E Eddy County, New Mexico Lease No.: NM-8940 (Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Eagle Dil & Gas Co. submits the following items of pertinent information in accordance with USGS 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:

| Yates | 285' | Graybu r g | 1430' |
|--------------|-------|-------------------|-------|
| Seven Rivers | 475 ' | Premier | 1765' |
| Queen | 1005' | San Andres | 1805' |
| Penrose | 1175' | T. D. | 1900' |

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

Water: Surface water between 100' - 300'.

Oil: Premier at approximately 1800'.

Gas: None.

- 4. Proposed Casing Program: See Form 9-331C.
- 5. Pressure Control Equipment: Λ Dyer Diverter will be used on this rotary air rig since there are no known pressure problems in the offsetting wells.
- 6. Mud Program: Mud will not be usee since this well will be drilled with a rotary AIR drilling rig.
- 7. Auxiliary Equipment: Dyer Diverter.
- 8. Testing, Logging and Coring:

Drill Stem Tests: None.

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

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: December 4, 1981. Anticipated completion of drilling operations: Approximately 5 days.