

APPLICATION FOR DRILLING

Holly Energy Inc.  
Empire West Deep Unit Fed Com #1  
Section 25,T-17S R-27E  
Eddy County, New Mexico

In conjunction with form 9-331C, application for permit to drill subject well in Section 25, Township 17 South, Range 27 East, Eddy County, New Mexico, Holly Energy Inc., submits the following 12 items of pertinent information in accordance with U.S.G.S. requirements:

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

San Andres	1645
Glorieta	3000
Abo	5130
Wolfcamp	6225
Upper Penn	7780
Strawn	8680
Atoka	9215
Morrow	9505
Barnett	9800
Chester Lime Stone	9950

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

Water: at approximately 300' base 500'  
Oil or Gas: 1645'

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, Inside Blowout Preventer, Kelly Cock.
8. Testing, Logging and Coring Program:

Pressure test: Surface casing to 1000 psig and production casing to 1500 psig.

Drilling samples: 10' samples 1950' to TD

Electric Logging: Dual induction Lateral log and Compensated Neutron Log formation and Density log TD to 1950'  
CLN-gamma ray TD to surface

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting Date: February 24, 1982