APPLICATION FOR DRILLING

DIAMONDBACK PETROLEUM, INC. Teresa A. Federal, Well No. 1 2970' FSL & 990' FWL, Sec. 5-T16S-R30E Eddy County, New Mexico Lease No.: NM-18226 (Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Diamondback Petroleum, Inc. submits the following items of pertinent information in accordance with MMS/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:

Rustler	1020'	Premier	2670'
Yates	1220'	San Andres	2705
7-Rivers	1440'	T. D.	3300*
Queen	1990'		

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

Water: Water in random sands from surface to 300' + .

Oil: Premier/Grayburg at approximately 2670'. San Andres at approximately 2710'.

- Gas: None expected.
- 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: None planned.

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: April 27, 1983. Anticipated completion of drilling operations: Approximately 30 days.