

APPLICATION FOR DRILLING

Holly Energy, Inc.
W. D. McIntyre "A" Well No. 7
Section 20-T17S-R30E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject will in Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico, Holly Energy, Inc. submits the following ten 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:

Yates	1230'
Seven Rivers	1895'
Queen	2170'
Grayburg	2590'
San Andres	3130'
Glorieta	4440'
Abo	6750'
Wolfcamp	7760'
Cisco-Canyon	9448'
Strawn	10320'
Morrow	10755'

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: Wolfcamp: Approximately 7760'-9448'
Cisco-Canyon: Approximately 9448'-10320'
Morrow: Approximately 10755'-11400'

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, Kelley Cock.
8. Testing, logging and coring programs: No testing or coring.
Logging: Mud logging 3500' to TD.
Dual induction lateral log and