

APPLICATION FOR DRILLING

Hondo Drilling Company  
Alscott Federal Well No. 2  
Section 30-T18S-R29E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Hondo Drilling Company submits the following ten items of pertinent information in accordance with U.S.G.S. requirements:

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

Top Salt	417'
Base Salt	835'
Yates	905'
Sever Rivers	1303'
Queen	1924'
Grayburg	2273'
San Andres	2720'
1st Bone Springs Sand	6530'
2nd Bone Springs Sand	7374'
3rd Bone Springs Sand	8302'
Wolfcamp	8622'
Cisco	9507'
Canyon	9806'
Strawn	9998'
Atoka	10340'
Morrow	10752'
Barnett	11121'
Chester	11279'

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

Water: Possibly at approximately 200 feet to depth of  
approximately 800-900 feet.

Oil or Gas: Wolfcamp approximately 8622'-9507'  
Cisco approximately 9507'-9806'  
Morrow approximately 10752'-11121'

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 and attached mud program by Adobe Drilling Mud.
7. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley cock.