APPLICATION FOR DRILLING

C. E. LaRue and B. N. Muncy, Jr.

McClay Federal #2

In conjunction with form 9-331c, Application for Permit to Drill subject well, LaRue and Muncy submits the following items of pertinent information in accordance with MMS/BLM.

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

Top Salt	516
Base Salt	830
7-Rivers	1736
Queen	2784
San Andres	3500
TD	3500

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

Water: Possible in random sands from surface to 200 feet. Oil: 7-Rivers, Queen, San Andres, at depths listed in item 2.

- 4. Proposed casing program: See Form 9-331c.
- 5. Pressure control equipment: See Form 9-331c, Exhibit E.
- Mud Program: Surface to 500 feet Fresh water and gel.
 500 feet to TD Brine water and gel.
- 7. Testing, Logging and Coring: No DST planned. Logging: Gr/CNL/FDC, DLL T. D. to 1000 feet CCL/CBL T. D. to surface.
- 8. No abnormal pressures or temperatures are anticipated.
- 9. Anticipated starting date: As soon as possible.