

APPLICATION FOR PERMIT TO DRILL
AMOCO PRODUCTION COMPANY
PMS 8 FEDERAL 5, 6, 7

PMS "8" Federal #5 - 835'FNL & 710'FWL, Sec. 8, T18S, R31E, NMPM,
Eddy County, NM

PMS "8" Federal #6 - 1930'FNL & 2032'FWL, Sec. 8, T18S, R31E, NMPM
Eddy County, NM

PMS "8" Federal #7 - 660'FNL & 3300'FWL, Sec. 8. T18S, R31E, NMPM,
Eddy County, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Amoco Production Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1&2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian Age.
2. Estimated tops of geologic markers are as follows:

Queen	3000'
Penrose	3300'
Grayburg	3600'
San Andres	3900'
Deleware	4400'
Bone Springs	5200'
3. The estimated depths at which water, oil, or gas formations are expected to be encountered:
 - * - Water: 150' & 300'
 - ** - Oil or gas: Bone Springs - 8000'-8500'

*Ground water to be protected by 13-3/8" surface casing with cement circulated to the surface.

**Potentially productive horizons to be protected by 5-1/2" production casing with cement tied back to approximately 1500'.
4. Proposed Casing Program: See Form 3160-3 and Attachment #1
5. Pressure Control Equipment: See Attachment #2
6. Mud Program: See Attachment #3
7. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve.