

ATTACHMENT TO FORM 9-331 C
APPLICATION FOR PERMIT TO DRILL

Conoco Inc.
Penny Federal ~~Com~~ No. 2
Sec. 23, T-20S, R-24E
Eddy County, New Mexico

1. The geologic name of the surface formation is Recent Sand.
2. The estimated tops of important geologic markers are shown on the attached Proposed Well Plan.
3. The estimated depths at which anticipated water, oil, gas or other mineral-bearing formations to be encountered are shown on attached Proposed Well Plan.
4. The proposed casing program is as follows:
 - 0' - 500' 13 3/8", 54.5#, K-55, STC
 - 0' - 1200' 9 5/8", 36#, K-55, STC
 - 0' - 9702' 7", 26#, K-55, BRTC, & L-80 LTC
5. A drawing of an API Series 900 Blowout Preventer Specification is attached. Pipe rams and blinds will be checked to 1,000 PSI for 30 minutes when BOP is installed. BOP will be checked when casing string is set and operated daily for checks.
6. The proposed mud program is as follows:
 - 0' - 500' 8.5 - 9.0 ppg spud mud
 - 500' - 1200' 8.5 - 9.0 ppg fresh water
 - 1200' - 7450' 8.5 - 8.8 ppg fresh water
 - 7450' - 9702' 8.5 - 8.9 ppg fresh water, low solids polymer
7. The auxiliary equipment to be used is:
 - (1) kelly cocks
 - (2) floats at the bit
8. It is proposed to run GR CAL CNL FDC PDC logs at selected intervals.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date is November 1, 1980, with a duration of approximately 40 days.