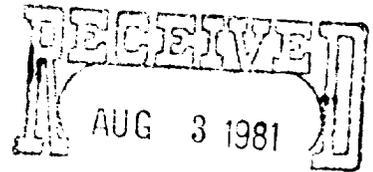


ATTACHMENT TO FORM 9-331 C  
APPLICATION FOR PERMIT TO DRILL

Conoco Inc.  
Preston Federal No. 2  
Section 34, T-20S, R-24E  
Eddy County, New Mexico



OIL & GAS  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

1. The geologic name of the surface formation is Grayburg Water.
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'-9800' 7", 26#, K-55 & L-80, BTRC & LTC
5. A drawing of API Series 900 Blowout Preventer Specifications 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'-9800' 8.5-9.0 ppg low solid 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 for the well is September 1, 1981 with a duration date of approximately 55 days.