APPLICATION FOR DRILLING SANTA FE ENERGY COMPANY Lusk 22 Federal No. 1

In conjunction with form 9-331C, Application to Drill subject well, Santa Fe Energy Company submits the following ten items of pertinent information in accordance with BLM requirements.

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

Anhydrite	490
Salado Salt	640
Yates	2275
TD	2425

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

Water

Water is not expected to be encountered.

Oil or Gas

Yates 2275' to TD

- 4. Proposed casing program: See Form 9-331C and Exhibit A.
- 5. Pressure control Equipment: See Form 9-331C and Exhibit B.
- 6. Drilling Fluid Program: See Exhibit C.
- 7. Auxilliary Equipment: See Exhibit D.
- 8. Testing, Logging and Coring Programs:

Core:

Yates 2275-2325'

Logging:

Logging from 4525' - TD:
Dual Laterolog with Gamma Ray
Neutron-Density with Gamma Ray
Computer Process Log over selected intervals

Logging from surface to TD: Neutron with Gamma Ray