

APPLICATION FOR DRILLING

DAVID H. ARRINGTON OIL & GAS, INC.
Arrington Federal, Well No. 1
330' FNL & 2310' FWL, sec. 14-T19S-R31E
Eddy County, New Mexico
Lease No.: NM-86554
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Manzano Oil Corporation submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

Rustler	700'	Queen	3300'
Top/Salt	800'	T.D.	4000'
Tansill	2200'		
Yates	2400'		
Seven Rivers	2600'		

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

Water: Surface water between 100' - 350'.
Rustler 700' - 800'.

Gas: Possible in the Yates, Seven Rivers or the Queen.

Oil: Possible in the Yates, Seven Rivers or the Queen.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: One planned in Seven Rivers and one in the Queen.

Logging: Gamma Ray/Cal.: Surf. Csg. to T.D.
DLL-MSFL, CNL-LDT Below 8 5/8" to T.D.

Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: June 1, 1991.
Anticipated completion of drilling operations: Approximately 3 weeks.