APPLICATION FOR PERMIT TO DRILL FASKEN OIL AND RANCH, LTD. CAMERON "31" FEDERAL NO. 2 1300' FNL & 660' FEL SEC.31, T20S, R25E EDDY COUNTY, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Fasken Oil and Ranch, Ltd. 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. Estimate tops of geologic markers are as follows;

| San Andres       | 747′  |
|------------------|-------|
| Glorietta        | 2383′ |
| Bone Springs     | 3536′ |
| 3rd Bone Springs | 6240′ |
| Wolfcamp         | 6353′ |
| Cisco            | 7133′ |
| Canyon           | 7559' |
| Strawn           | 8121′ |
| Atoka            | 8882′ |
| Morrow Clastics  | 9162′ |
| Lower Morrow     | 9492′ |
| Barnett Shale    | 9558′ |
|                  |       |

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3. The estimated depths at which water, <sup>1</sup>oil or gas formation are expected to be encountered;

| Strawn | 8121′ | Gas |
|--------|-------|-----|
| Atoka  | 8882′ | Gas |
| Morrow | 9162′ | Gas |

 $\star$  Groundwater to be protected by 13-3/8" surface casing with cement circulated to the surface.

\*\* Potentially productive horizons to be protected by 4-1/2" production casing with cement top at 6000'.