

APPLICATION FOR DRILLING

Texas Oil & Gas Corp.
McMillan Federal Com. Well #1
2080' FSL and 1980' FEL
Section 14-T20S-R27E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Texas Oil & Gas Corp. submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is alluvium and bolson deposits.
2. The estimated tops of geologic markers are as follows:

Yates	750'	Wolfcamp	8500'
Delaware	2600'	Strawn	10000'
Bone Spring	4650'	Atoka	10300'
Third Bone Sprg.		Morrow	10750'
Sandstone	8200'	Barnett	11200'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 300' to 400'
Oil or Gas:	Morrow - approximately 11000' to 11200'
4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Blowout preventer, inside blowout preventer, Kelley cock.
8. Testing, logging and coring programs:

Drill stem tests:	Atoka - 1
	Morrow - 2
Mud logging -	Top Bone Spring (4650') to TD
Electric logging:	
A.	Gamma Ray Compensated Neutron-Compensated Density-Dual Laterlog RXO.
B.	Gamma Ray - TD - Surface
	Compensated Neutron - TD - Surface
	Compensated Density - TD - Intermediate Casing
	Dual Laterlog RXO - TD - Intermediate Casing
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.