

APPLICATION FOR DRILLING

Holly Energy Inc.
Avalon Federal 32 Well #1
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 32, Township 20 South, Range 27 East, Eddy County, New Mexico, Holly Energy Inc., submits the following ten items of pertinent information in accordance with U.S.G.S. requirements:

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

7790'	Third Bone Springs
8111'	Wolfcamp
9024'	Upper Pen Canyon
9426'	Strawn
9846'	Atoka
10,292'	Morrow
10,666'	Barnett
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Static water at approximately 100'
	Formation water at approximately 800'-1000'
Oil or Gas:	Wolfcamp at approximately 7840' to 8280'
	Atoka at approximately 9480' to 9960'
	Morrow at approximately 9960' to 10,350'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit E.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
8. Testing, Logging and Coring Programs:

Pressure test:	Surface casing to 1500 psig and Production Casing to 1500 psig.
Drilling samples:	10' samples 7000' to T.D. 30' samples 2800' to 7000'.
Electric logging:	IES or Dual Laterlog, Intermediate Casing to T.D.
Mud Logging:	7000' to T.D.
Coring:	None.
Drill Stem Tests:	as required (estimate 2)
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

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SEP 11 1966

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.