APPLICATION FOR DRILLING

Durham, Inc. Stinking Draw Federal Well No. 1 1980' FNL & 660' FWL Section 13, T-21-S, R-22-E Eddy County, New Mexico

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

1. The geologic surface formation is the Queen.

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

San Andres	328'	Wolfcamp	5110'
Glorieta	1861'	Strawn	7677'
Bone Spring	3310'	Atoka	8430 '
Third Bone		Morrow	8796'
Spring Sandstone	4870'	Chester	9100'

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

Water: Approximately 200 feet Oil or gas: Morrow at approximately 8796' - 9400'

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: Ram type blowout preventer, annular and rotating type blowout preventers, Kelley cock.

8. Testing, logging and coring programs:

Electric logging: GR/CNL - FDC; TD - Surf, Guard-Forxo; TD - 2000' Logging: Mud logging from 4000' to TD Coring: None Drill Stem Tests: Morrow - 2

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: 1-1-80.