

APPLICATION FOR DRILLING

EAGLE OIL & GAS CO.
Loafer Draw "A" Federal Comm., Well No. 1
660' FNL & 2310' FEL, Sec. 20-T21S-R22E
Eddy County, New Mexico
Lease No.: NM-29197
(Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill Subject well, Eagle Oil & Gas Co. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is Grayburg, which is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	252'	Strawn	7614'
Glorietta SS	1814'	Atoka	8192'
Tubb	3185'	Morrow	8530'
Abo	3847'	M-3 oolite	8606'
Wolfcamp	5054'	Loafer Ch. SS	8770'
Cisco	6614'	Chester Shale	8900'
Canyon Lime	7177'	T.D.	8970'
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface: Between 50' to 250'.
San Andres: possible between 365' to 1814'.

Oil: None expected.

Gas: Strawn between 7720' - 7870'.
Atoka between 8205' - 8270'.
Morrow between 8630' - 8900'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "D".
6. Mud Program: See Form 9-331C.
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 possible in the Morrow.

Logging: Dual Ind. Laterolog	Int. Csg. to T.D.
Litho-Density Comp. Nuetron	Int. Csg. to T.D.
Micro Log	Int. Csg. to T.D.

Coring: None.
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: November 26, 1984.
Anticipated completion of drilling operations: Approximately 30 days.