

APPLICATION FOR DRILLING

BILL FENN, INC.  
Roaring Springs Federal Com., Well No. 1  
1650' FNL & 990' FWL, SEC. 14-T21S-R23E  
Eddy County, New Mexico  
Lease No.: NM-76919  
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Bill Fenn, Inc. submits the following items of pertinent information in accordance with BLM requirements:

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

Grayburg	173'	Wolfcamp	6100'
Sand Andres	560'	Cisco	7450'
Glorieta	2132'	Strawn	8450'
Lower Bone Spring	5754'	Morrow	9450'
		T.D.	10,000'
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: In the Grayburg 220'-440' and San Andres 560'-1180'.

Oil: None expected.

Gas: Possible in Wolfcamp, Cisco, Strawn, Morrow.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxillary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: At least five drill stems are possible.

Logging: T.D. to Casing.: LDT-CNL,DLL-RXO/GR

Coring: None planned.
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: March 1, 1989.  
Anticipated completion of drilling operations: Approximately 45 days.