

APPLICATION FOR DRILLING PERMIT

Coquina Oil Corporation
Patterson Federal #1
1980' FSL & 1980' FEL,
Sec. 20-23S-23E
Eddy Co., New Mexico

In support of Form 9-331C, Application for Permit to drill the above described well, Coquina Oil Corporation submits the following exhibits and items of pertinent information in accordance w/Federal requirements:

Exhibit A. Surface Use Plan.
Exhibit B & B-1. Access Route Maps.
Exhibit C. Location and acreage dedication plat.
Exhibit D. Area plat showing wells in vicinity.
Exhibit E. Drill Site Layout.
Exhibit F. Drill Site Cross Section.
Exhibit G. Blowout prevention equipment schemetic drawing.
Exhibit H. Archaeological report.

1. The geologic surface formation is the Permian (Seven Rivers).
2. Estimated subsurface formation tops in this well are:

Glorietta	2000'	Strawn	8700'
Bone Spring	6200'	Atoka	8800'
Wolfcamp	7000'	Morrow	9100'
Cisco	7700'	Barnett	9750'
Canyon	8800'	Total depth	9800'

3. Fresh water may be present in shallow sands. Hydrocarbons are possible in the Wolfcamp, Strawn, Atoka, and Morrow.
4. Pipe program:

16" conductor @ 40', cemented to surface. Will provide protection for shallow fresh water, if present, and prevent washout of cellar while drilling surface hole.

8-5/8" surface pipe @ 2300' \pm or through the evaporites, cemented to surface.

5-1/2" production casing @ TD, if well is indicated to be productive.
5. Pressure control equipment: See Exhibit "G".
6. Mud program: Surface hole-fresh and brine water w/paper added to control seepage. Mud up and add LCM as necessary if loss of circulation becomes a problem. Drill out below surface casing w/fresh water, and mud up to a 10.5#, 35 vis product to drill the Wolfcamp and deeper.