

APPLICATION FOR DRILLING PERMIT

Coquina Oil Corporation
Pure Gold "A" Federal No. 1
800' FSL & 1980' FWL
Sec. 21-23S-31E
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. Access Route Maps
- Exhibit C. Location and acreage dedication plat
- Exhibit D. Area plat showing wells in vicinity
- Exhibit E. Drill Site Layout
- Exhibit G. Blowout prevention equipment schemetic drawing
- Exhibit H. Archaeological report

1. The geologic surface formation is the Quaternary Alluvium.
2. Estimated subsurface formation tops in this well are:

| | | | |
|-------------|---------|-------------|---------|
| Lamar Lm. | 4100' | Atoka | 13,000' |
| Delaware | 4150' | Morrow | 13,825' |
| Bone Spring | 7975' | Morrow Sd. | 14,650' |
| Wolfcamp | 11,250' | Total Depth | 15,000' |

3. Fresh water may be present in shallow sands. Hydrocarbons are possible in the Delaware, Wolfcamp, Atoka, and Morrow.

4. Pipe program:

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

20" surface pipe @ 600'± cemented to surface.

13-3/8" first intermediate @ 4200'±. Cemented to surface

9-5/8" second intermediate @ 12,350'±. Bottom 3000' cemented.

7" production liner through Atoka, if indicated to be productive.

4½" production liner @ TD, if Morrow 15 indicated to be productive.

5. Pressure control equipment: See Exhibit "G". (5,000 psi equipment).