

## APPLICATION FOR DRILLING

HILLIN PRODUCTION COMPANY  
Cities Federal 5 - Well No. 1  
660' FSL & 660' FEL  
Unit P, Section 5  
T-23-S, R-26-E  
Eddy County, New Mexico

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

1. The geologic surface formation is recent deposits.
2. The estimated tops of geologic markers are as follows:  
  
    Delaware - 1590'  
    Bone Springs - 5050'
3. The estimated depths at which anticipated water are to be encountered:  
  
    Water: Approximately 100-200 feet
4. Proposed Casing Program: See Form 9-331C and Exhibit D.
5. Pressure Control Equipment: See Form 9-331C and Exhibit C.
6. Mud Program: See Exhibit E.
7. Auxiliary Equipment: See Exhibit C.
8. Testing, Logging and Coring Programs:  
  
    Drill stem tests (all DST's to be justified by a valid show of oil or gas):  
  
        Delaware - 1800' to 5100'  
  
    Log well with CNL-GR w/Caliper/LDT/DLL-GR/MSFL/EPT. Take sidewall cores as needed. Run dipmeter.
9. No abnormal pressures or temperatures anticipated.
10. Anticipated starting date: As soon as possible.