

Application For Drilling Permit  
Cimarron Energy Corporation  
Watts Federal #1  
910' FNL and 800 F E L, Sec 31,  
T23S, R28E, NMPM, Eddy County, New Mexico

In Conjunction with form 3160-3, Application for Permit to Drill subject well, Cimarron Energy Corporation, submits the following ten items of pertinent information in accordance with U. S. BLM requirements:

1. GEOLOGICAL SURFACE FORMATION:

The geological surface formation is the Castile

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Top Salt: 2050'  
Base Salt: 2390'  
Delaware Sand: 2400'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERAL:

Fresh Water: 150' - 250'  
Delaware: 5850' oil

4. PROPOSED CASING PROGRAM:

<u>Hole Size</u>	<u>Interval</u>	<u>Section Length</u>	<u>Size (OD)</u>	<u>Weight &amp; Joint</u>	<u>Grade</u>	<u>New or Used</u>
17 1/2"	0-450'	450'	13 3/8"	48# H-40	ST&C	Used
12 1/4"	0-2450'	2450'	9 5/8"	40# K-55	ST&C	Used
8 1/2"	0-5850'	5850'	4 1/2"	10.50# J-55	ST&C	New

NOTE: Surface and Intermediate String are cemented and already in hole.

5. PRESSURE CONTROL EQUIPMENT: See Exhibit E

6. DRILLING FLUIDS PROGRAM: See Exhibit E

7. AUXILLARY EQUIPMENT PROGRAM: See Exhibit E