

APPLICATION FOR DRILLING
SANTA FE ENERGY COMPANY
NORTH EAST LOVING FEDERAL 34 #1

In conjunction with form 9-331C, Application to Drill subject well, Santa Fe Energy Company submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is Rustler.
2. The estimated tops of geologic markers are as follows:

Rustler	Surface
Lamar Lime	2,575'
Bell Canyon	2,620'
Cherry Canyon	3,610'
Brushy Canyon	4,920'
Bone Springs	6,140'
First Bone Springs Sand	7,190'
Second Bone Springs Sand	7,900'
Third Bone Springs Sand	9,200'
Wolfcamp	9,640'
Strawn	11,210'
Atoka Clastics	11,440'
Lower Atoka	11,580'
Morrow Clastics	12,160'
Lower Morrow Clastics	12,600'
Barnett	12,900'

3. The estimated depth at which water, oil, or gas formations are expected to be encountered:

Water	100'±
Oil or Gas	Wolfcamp 9,640' - 11,210'
	Strawn 11,210' - 11,440'
	Atoka 11,440' - 12,160'
	Morrow 12,160' - 12,900'

4. Proposed casing program: See Form 9-331C and Exhibit A.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Drilling Fluid Program: See Exhibit C.
7. Auxilliary Equipment: See Exhibit D.
8. Testing, Logging, and Coring Programs:

Drill Stem Tests (all DST's to be justified by a valid show of oil or gas):

Wolfcamp	9,640' - 11,210'
Strawn	11,210' - 11,440'
Atoka	11,440' - 12,160'
Morrow	12,160' - 12,900'