

APPLICATION FOR DRILLING
SANTA FE ENERGY COMPANY
Sterling Silver 33 Federal No. 2

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 sand.
2. The estimated tops of geologic markers are as follows:

Rustler	825'
Base of Salt	4100'
Delaware Lamar Lime	4180'
Cherry Canyon	5210'
Bone Springs	7990'
Wolfcamp	11400'
Strawn	13100'
Atoka	13550'
Lower Morrow Clastics	14790'
TD	15000'

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

Water	Water is not expected to be encountered.
Oil or Gas	Wolfcamp 11,400-13,100'
	Strawn 13,100-13,550'
	Atoka 13,550-14,790'
	Morrow 14,790-15,100'

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	11400-13100'
Strawn	13100-13550'
Atoka	13550-14790'
Morrow	14790-15100'