

APPLICATION FOR DRILLING

BETTIS, BOYLE & STOVALL
FED EXX COM. "17" #1
1980' FSL & 660' FEL
Section 17, T-23-S, R-26-E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Bettis, Boyle & Stovall submits the following items of pertinent information in accordance with USGS requirements.

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

Delaware	1,850'
Bone Spring	5,000'
Wolfcamp	8,700'
Strawn	10,050'
Atoka	10,600'
Morrow	11,000'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered.

Water:	Approximately	150'
Oil or Gas:	Strawn	10,100'-10,300'
	Atoka-Morrow	10,600'-12,000'
4. Proposed Casing Program: See Form 3160-3 and Exhibit F.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit E.
6. Mud Program: See Exhibit G.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Programs:

Drill stem tests to be justified by valid show of oil or gas:

Wolfcamp	8,700'
Strawn	10,050'
Atoka-Morrow	10,600'-12,000'