

APPLICATION FOR DRILLING

NEFF OIL AND GAS, INC.
BHP Federal, Well No. 1
1650'fnl & 330'fel, Sec 13 T-22-S R-27-E
Eddy County, New Mexico
Lease No. NMNM 64585

(Development Well to Indian Draw Cherry Canyon Field)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Neff Oil and Gas, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is Quaternary alluvium and other surface deposits.

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

Salado	250'
Castile	1975
Lamar	2240
Cherry Canyon Pay	3205
TD	3400'

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

Water: Random fresh water from surface to 250 feet.

Gas: None

Oil: Cherry Canyon @ 3200-3400

4. Proposed Casing Program: See Form 3160-3.

5. Pressure Control Equipment: See Form 3160-3.

6. Mud Program: See Form 3160-3.

7. Auxiliary Equipment: Blowout preventer as per diagram.

8. Testing, Logging and Coring Program:

Logging:	Gamma Ray	Surface to TD
	Neutron	2400 to TD
Drill Stem Tests:	None planned	
Cores:	None planned	

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, A mud program will be implemented to control the well.

10. Anticipated starting date: 5-15-90.

Anticipated completion of drilling operations: 5-31-90.