

APPLICATION FOR PERMIT TO DRILL

1. The geologic surface formation is Quaternary.

2. The estimated tops of important geologic markers are:

|    |                        |             |     |         |
|----|------------------------|-------------|-----|---------|
| 1. | <u>Base Salt</u>       | <u>2570</u> | 6.  | <u></u> |
| 2. | <u>Lamar Limestone</u> | <u>3130</u> | 7.  | <u></u> |
|    | <u>Bell Canyon</u>     | <u>3180</u> | 8.  | <u></u> |
| 3. | <u>Cherry Canyon</u>   | <u>4150</u> | 9.  | <u></u> |
| 4. | <u>Brushy Canyon</u>   | <u>5290</u> | 10. | <u></u> |
| 5. | <u>Bone Spring</u>     | <u>7050</u> |     |         |

3. Depths at which oil, water, or gas bearing formations are expected to be encountered.

Around 7050'

4. Brief description of testing, logging, and coring programs.

DLL/MSFL/GR  
DNS/CNL/GR  
FMS

TD to top of Lamar Limestone  
TD to Surface  
Potential Productive Intervals

No Coring or DST's anticipated

5. Any anticipated abnormal pressures or temperatures expected? Any potential hazards - H<sub>2</sub>S?

None ; BHP @ TD is 3720 psi  
BHT @ TD is 130 psi.

(SJS) As per telecon  
w/ B. Gildon 7/24/92.