

APPLICATION TO DRILL

MARALO LLC.  
GOLD RUSH "31" FEDERAL # 4  
UNIT "G" SECTION 31  
T23S-R30E EDDY CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual-Induction, CNL-LDT, Gamma Ray Caliper from TD to 3100'. Gamma Ray CNL from 3100' to surface.
- B. A two man mud logging unit will be rigged up on hole at 3100' and remain on hole to TD.
- C. No cores or DST's are planned at this time, but may be run to determine quality of pay.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4050 PSI, estimated BHT 165° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 28 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The BRUSHY CANYON pay will be perforated and stimulated. The well will be swab tested and potentialized as an Oil well.