

## APPLICATION FOR DRILLING

Pauley Petroleum Inc.  
Poker Lake Unit No. 46,  
660' FNL and 660' FWL,  
Section 5, T-25-S, R-31-E,  
Eddy County, New Mexico.

In conjunction with Form No. 42-R1425, Application for Permit to Drill subject well, Pauley Petroleum Inc. submits the following ten items of pertinent information in accordance with USGS requirements.

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

Rustler	575'
Salt	1050'
Delaware Lime	4165'
Delaware Sand	4192'
Ford	4268'
Olds	4277'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 300 feet.
Oil or gas:	Olds: approximately 4277' to 4350'
4. Proposed Casing Program: See Form No. 42-R1425 and Exhibit F.
5. Pressure Control Equipment: See Form No. 42-R1425 and Exhibit E.
6. Mud Program: See Exhibit G.
7. Auxiliary Equipment: See Exhibit H.
8. Testing, Logging and Coring Programs: See Exhibit F.

Drill stem tests (all DST's to be justified by a valid show of oil):	Olds - 4277'
Logging: Electric Log Program:	
Dual Laterolog with Gamma Ray and Micro SFL or Proximity Log	
Borehole Compensated Sonic Log with Caliper and Gamma Ray	
Dipmeter	
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: November 1, 1978.