

COLUMBIA ENERGY, INC.
Picou Federal #1
505' FSL and 930' FEL
Sec. 12, T-26S, R-29E
Eddy County, New Mexico

In Conjunction with Form 3160-3, Application for Permit to Drill subject well, Challenger Energy, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

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

Rustler Anhydrite	650'
Base Salt	3270'
Delaware Sand	3300'
Cherry Canyon	4450'
Brushy Canyon	5780'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Oil: 3300', 5350'
4. Proposed Casing Program: See Form 3160-3
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
6. Mud Program: See Form 3160-3
7. Auxiliary Equipment: Sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples:	32700' to TD.
DST's:	As Warranted.
Coring:	None.
Logging:	CND TD to 3200', DLL TD to 3200', and Gamma Ray TD to Surface.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting date: As soon as possible after approval.
(Prior to February 1, 1986)