

Application to Drill
Southwest Royalties, Inc.
China Grove Federal #1

12. Testing, Logging and Coring Programs:

- (A) Possible D.S.T. if shows dictate.
- (B) Open hole logs: DLLw/LDT-CNL from TD to 3000' with Gamma Ray to surface.
- (C) No coring planned.

13. Potential Hazards:

No abnormal pressures of temperature zones expected (nothing abnormal in offset wells or other wells in the area). Hydrogen sulfide gas is not anticipated however, precautions for detection will be observed. No major lost circulation is expected (none reported in this area).
See Addendum

14. Anticipated Starting Date and Duration of Operation: Road and location construction will begin after BLM approval of APD. Anticipated spud date 9/15/93 Drilling expected to take 18 to 25 days. If production casing is run an additional 30 days to complete and construct surface facility and place well on production.

15. Other Facets of Operations: After running casing, cased hole gamma ray collar correlation logs will be run from total depth over possible pay intervals. The Delaware pay will be perforated and stimulated. The well will be swab tested and potentialized as an oil well.