APPLICATION TO DRILL

POGO PRODUCING COMPANY STERLING SILVER "3"FEDERAL # 8 UNIT "N" SECTION 3 T24S-R31E EDDY CO. N:1

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

- 1. Location: 800' FSL & 1980' FWL SEC. 3 T24S-R31E EDDY 900. NM
- 2. Elevation above Sea Level: 3454' GR.
- 3. Geologic name of surface formation: Quaternery Aeolian Deposits.
- 4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
- 5. Proposed drilling depth: 8450'

6. Estimated tops of geological markers:

Rustler Anhydrite	810'	— Bell Canyon	4465	
-	865'	Cherry Canyon	5485	
Salado		•		
Delaware Lime	4395 †	Bone Spring	8250	

7. Possible mineral bearing formations:

Delaware 0il
Bone Spring 0il

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
14 3/4"	750' 0- 650 '	10 3/4"	32.75	8-R	ST&C	H-40
9 7/8"	0-4150'	7 5/8"	26.40	8-R	ST&C	J-55
6 3/4"	0-84501	41211	11.60	8-R	LT&C	N-80 J-55