

**EXHIBIT "B"**  
**APPLICATION FOR PERMIT TO DRILL**  
**TEN-POINT COMPLIANCE PROGRAM**  
**CROSS TIMBERS OPERATING COMPANY**  
**SEMGSAU #109**  
**1980' FSL, 1470' FEL**  
**SEC 30 - T17S - R33E NMPM**  
**LEA COUNTY, NEW MEXICO**

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In conjunction with Form 3160-3, Application for Permit to Drill, Cross Timbers Operating Company submits the following items of pertinent information in accordance with Onshore Oil and Gas Order No's 1 and 2, and with all other applicable Federal and State regulations.

38. The geologic surface formation is Quaternary Alluvium.

38. The estimated geologic markers are as follows:

Top of Salt	- 1360'	Queen	- 3540'
Base of Salt	- 2410'	Grayburg	- 3690'
Yates	- 2550'	Premier SS	- 4180'
Seven Rivers	- 2930'	San Andres	- 4245'

38. The estimated depths at which water, oil and/or gas are expected to be encountered:

Fresh Water:	None in the area.
Oil and /or Gas:	Grayburg - 3690' to 4180'
	Premier SS - 4180' to 4245'
	San Andres - 4245' to 4300'

38. Proposed Casing Program:

<u>Hole Size</u>	<u>Setting Depth</u>	<u>Size (OD)</u>	<u>Weight, Grade and Joint</u>	<u>New or Used</u>
12 1/4"	400'	8 5/8"	24#, J55, STC	Not determined
7 7/8"	4300'	5 1/2"	15.5#, J55, STC	Not determined

Cement Program:

Surface Casing:	250 sx Premium Plus cement with 2% CaCl and 1/4 #/sx Flocele.
Production Casing:	Lead with 650sx 35:65 Poz/C w/6% gel and 5#/sx salt, Tail in with 200sx Premium Plus cement with 0.2% Halad-322 and 0.4% Halad-9.