

APPLICATION FOR DRILLING

McCLELLAN OIL CORPORATION
"PZ" Federal Well No. 1
1250' FSL & 1650' FEL, Sec. 7-T9S-R26E
Chaves County, New Mexico
Lease No.: NM-14294
(Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, McClellan Oil Corporation submits the following items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	800'
Glorieta	1900'
Tubb	3400'
Abo	4100'
3. The estimated depth at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Possible surface water 100' - 300'.
Oil:	None Expected.
Gas:	Abo between 4100' and 4700'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: BOP's are Schaffer Model 39, 4500 lb. test. See Exhibit "E".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:

Drill Stem Tests: None planned.		
Logging:	FDC/CNL DLL/MSFL GR	Inter. Csg. to T. D. Inter. Csg. to T. D. surface to T. D.
Coring: None planned.		
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: August 15, 1981.
Anticipated completion of drilling operations: Two weeks.