

APPLICATION FOR DRILLING

HOLE PROGNOSIS

Primero Operating Inc.
Marbob Fed #1, Sec. 24-11s-27e
330 FNL & 1650 FSL
Chaves Co., New Mexico

In conjunction with form 9-331c, Application for Permit to drill Subject well, Primero Operating, Inc. submits the following ten items of pertinent information in accordance with U.S. Bureau of Land Management requirements.

1. The geologic surface is Quaternary fill.
2. Estimated tops of Geologic markers:

	<u>Depth</u>
Yates	240
San Andres	1388

3. The estimated depth at which water, oil or gas are expected:

Oil is expected in the San Andres at 2026 ft.
Water is expected at 150 ft.

4. Proposed casing program:

Surface casing	400 ft. of 8 5/8"
Production	2083 ft. of 4 1/2"

5. Pressure control equipment: See form 9-331C:
6. Mud program: Well will be drilled with a cable tool or air, no mud will be used.
7. Auxiliary Equipment - none
8. Testing, and logging program:
CNL-Density, Dual Laterallog
9. No abnormal pressures or temperatures are expected.
10. Anticipated starting date is 02/02/1992
11. Anticipated Duration of Operations: