

APPLICATION TO DRILL

GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
UNIT "H" SECTION 23
T6S-R25E CHAVES CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual Later-log, CNL, LDT, MSFL, Gamma Ray, Caliper from TD back to 900'.
- B. Run Gammas Ray, Neutron from 900' to surface.
- C. No cores or DST's are planned at this time.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 1250 PSI, estimated BHT 120° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 7 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.. The Abo pay will be perforated and stimulated. The well will be swab tested and potentialized as a gas well.