

MYCO Industries, Inc.  
East Turkey Track Federal Com. #1  
1980' FSL + 1980' FWL of  
Section 23-T18s-R29e  
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, MYCO Industries, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is Quaternary.

2. The estimated tops of geologic markers are as follows:

|        |                      |
|--------|----------------------|
| 950'   | Base Salt            |
| 1110'  | Yates                |
| 2063'  | Queen                |
| 2550'  | Grayburg             |
| 2900'  | San Andres           |
| 3530'  | Bone Spring Lime     |
| 6770'  | 1st Bone Spring Sand |
| 7580'  | 2nd Bone Spring Sand |
| 8410'  | 3rd Bone Spring Sand |
| 8730'  | Wolfcamp             |
| 9550'  | Cisco                |
| 10150' | Strawn               |
| 10525' | Atoka                |
| 10965' | Morrow               |
| 11010' | Morrow "A" Clastics  |
| 11170' | Morrow "B" Clastics  |
| 11350' | Chester              |
| 11390' | Austin Cycle         |
| 11500' | TD                   |

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 200-240' poss water zone Wolfcamp 8730-8930'

Oil: Queen-Grayburg-San Andres 2050-3000', Wolfcamp 8730-8930', Cisco 9550-9750'

Gas: Atoka Sand 10740-10770', Morrow Sand 11010-11350'

4. Proposed Casing Program: See Form 3160-3

5. Pressure Control Equipment: See Form 3160-3

6. Mud Program: See Form 3160-3

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

DST's: As warranted by drilling breaks and shows

Logging: CNL/LTD from TD to casing with GR-CNL on to surface; DLL (with min RXO) from TD to casing;  
Possible long spaced sonic.

Samples: 10' samples out from under surface casing to TD

Coring: None

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.