

APPLICATION FOR DRILLING

C & E OPERATORS, INC.
Kyle-Federal #1
Section 27-T9S-R33E
Lea County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, C & E Operators, Inc. submits the following ten items of pertinent information:

1. The geologic surface formation is Quaternary alluvium and bolson deposits and other surface deposits.

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

Rustler	2050	Tubb	6755
Yates	2610	Abo	7625
Queen	3290	Wolfcamp	8800
San Andres	3855	Bough "C"	9600
Glorieta	5270		

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

Water: Perhaps none, if any, probably in small quantities
& poor quality at 100-200 feet.

Oil & Gas: Abo @ 7700
Bough "C" @ 9600

4. Proposed casing Program: See Form 9-331C
5. Pressure Control Equipment: See Exhibit "E"
6. Mud Program: See attached letter dated 7-18-79 from Maverick Mud Co.
7. Auxiliary Equipment: Blow out preventer, Inside blow out preventer, Kelly Cock
8. Testing, logging and coring programs:
 - Coring: No cores are anticipated.
 - Testing: One drill stem test anticipated at T.D.
 - Logging: GR/Sonic & Guard log.
- ~~9. No abnormal pressures or temperatures are anticipated.~~
10. Anticipated Starting Date: August 15, 1979.