

APPLICATION TO DRILL

WESTERN RESERVES OIL CO., INC.
PADRE FEDERAL "13" #1
1980' FNL & 1820' FWL UNIT "F"
SEC.13 T9S R32E LEA CO., N.M.

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

1. Location: 1980' FNL & 1820" FWL Sec.13 T9S R32E Lea Co., N.M.
2. Elevation Above Sea Level: 4359 GL
3. Geologic Name of Surface Formation: Quaternary Aeolian Deposits
4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using mud for the circulation medium.
5. Proposed Drilling Depth: 8500'
6. Estimated Geological Marker Tops:

| | |
|--------------------|-------|
| Rustler Anhydrite, | 1710' |
| Yates | 2320' |
| San Andres | 3550' |
| Glorietta | 4940' |
| Abo | 7265' |
7. Possible Mineral Bearing Formation:

| | |
|------------|-----|
| San Andres | Oil |
| Abo | Oil |
8. Casing Program:

| Hole Size | Interval | OD Csg | Weight | Thread | Grade | Condition |
|-----------|-----------|--------|--------|---------|-------|------------------------------|
| 17-1/2" | 0 - 40' | 13-3/8 | 545# | 8R ST&C | J-55 | New |
| 12-1/4" | 0 - 1700' | 8-5/8 | 24# | 8R ST&C | J-55 | Used-inspected to API Specs. |
| 7-7/8" | 0 - 8500' | 5-1/2 | 17# | 8R LT&C | J-55 | New |