

APPLICATION FOR DRILLING
RAND PAULSON OIL COMPANY, INC
Nicholas 31 Federal, Well No., 1
2090' FNL & 660' FEL, Sec. 31-T141S-R351E
Lea County, New Mexico
Lease No.: NM-96249
(Exploratory Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Rand Paulson Oil Company, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

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

Anhy	1860'	ME WC A	10390'
Yates	2977'	EE WC	10580'
San Andres	4430'	Cisco Por. Dol.	10730'
Abo	8072'	Canyon	10870'
WC/B. Leonard	9725'	Canyon Por. Dol	11120'
XX	9940'	Strawn	11875'
LE WC	10140'	Atoka	12015'
ME WC B	10270'	T.D.	12500'

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

Water: Random fresh water sands from surface to - 200'+/-.

Oil: Possible in the EE WC below 10580', Cisco Dolo. below 10730', Canyon Dolo. below 11120', Strawn below 11875'.

Gas: None expected.

4. Proposed Casing Program: See Form 3160-3.

5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".

6. Mud Program: See Form 3160-3.

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock.

8. Testing, Logging, and Coring Program:

Drill Stem Tests: Three possible to be determined by geologist.

Logging: Intermediate casing to surface: GR/N.

T.D. to intermediate casing: DI-SFL/GR/CAL/SP, LS/Acoustic/GR/CAL,

T.D. to intermediate casing: Micro/Mini log/GR/CAL, Z/Dens./Neutron/GR/CAL

Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated BHP = 5000 psi (evac.) with temperature = 185°.

10. H2 S: None expected.

11. Anticipated starting date: February 5, 1997

Anticipated completion of drilling operations: Approximately 60 days.