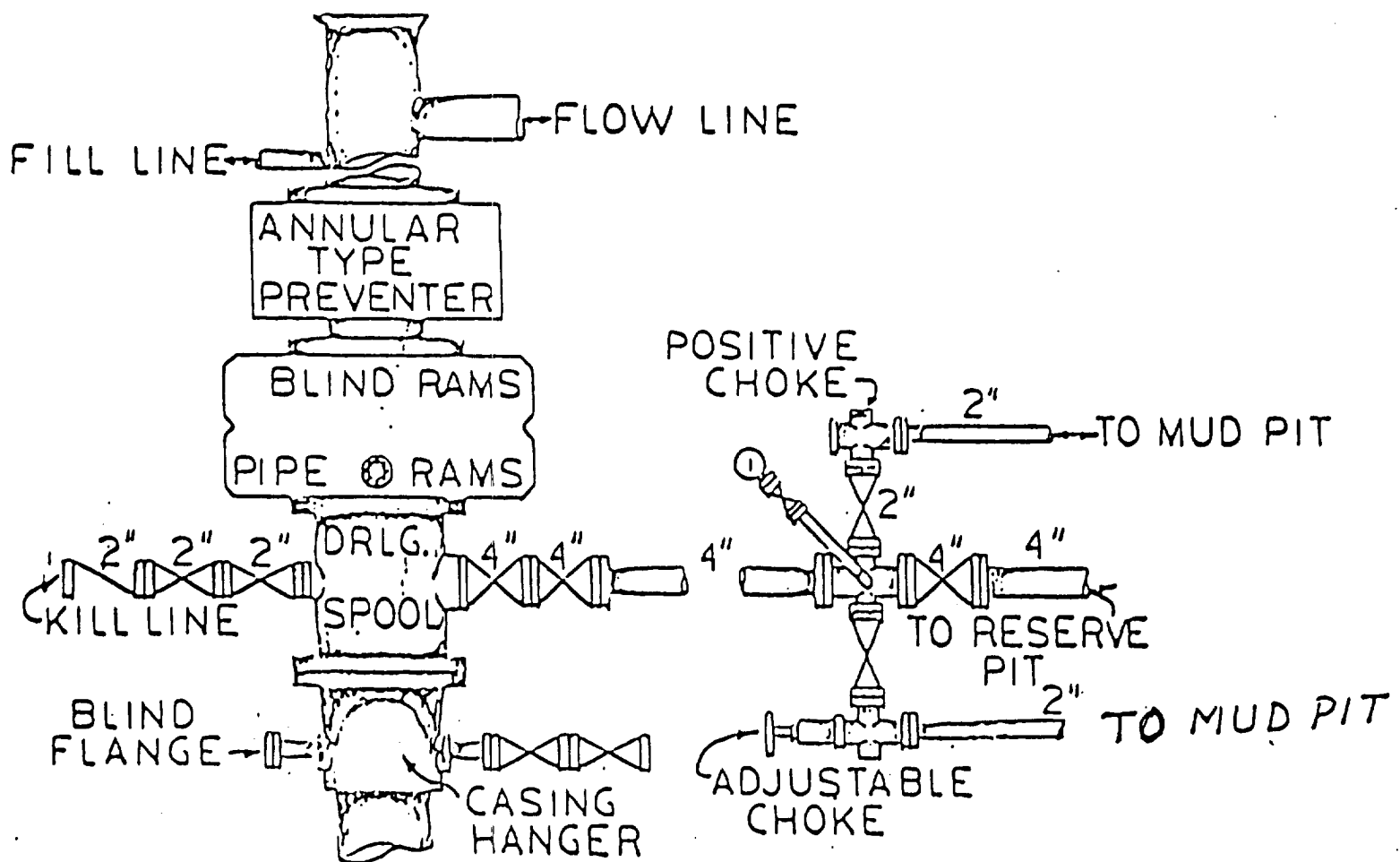


EXHIBIT E

PRESSURE CONTROL EQUIPMENT

B.O.P. ARRANGEMENT
3000 LB. W.P. B.O.P.
10" CAMERON TYPE-SS HYDRAULIC B.O.P. 3000 P.S.I.
10" G.K. HYDRILL 3000 W.P.
80 GALLON- STATION KOOMEY ACCUMULATOR
3000 LB. W.P. CHOKE MANIFOLD



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CEMENTING

SURFACE PIPE - 900' of 13 3/8" in 17 1/2" HOLE:

Attempt to circulate 425 sx of 65% Class "C" cement and 35% poz mix w/6% bentonite and 1/4 lb/sack cellophane flakes followed by 210 sx Class "C" cement containing 2% calcium chloride and 1/4 lb/sack cellophane flakes. A "Texas" pattern guide shoe and insert float valve will be run, along with 3 centralizers on bottom 300 ft of string. Thread socking compound should be used on bottom two joints of casing.

INTERMEDIATE CASING - 4500 ft 8 5/8" in 12 1/4" HOLE:

The intermediate casing will have to be cemented in two stages. A DV tool will be run at \pm 2800 ft. The first stage will consist of 800 sx 65% Class "C" and 35% poz mix with 5 lb/sack salt and 1/4 lb/sack cellophane flakes followed by 200 sx Class "C" with 1/4 lb/sack cellophane flakes. The second stage will consist of 1600 sx 65% Class "C" and 35% poz mix with 15 lb/sx salt followed by 200 sx Class "C" with 4 lb/sx salt and 1/4 lb cellophane flakes. A float shoe and collar along with 5 centralizers will be run on the bottom 600 ft of casing. The stage cementing tool will be run at \pm 2800 ft with centralizers above and below. 3 cement baskets will also be run between the stage cementer and the top of the lost circulation zone. Thread locking compound will be used on the bottom joint of casing and on the stage cementer.

PRODUCTION CASING - 7200' of 5 1/2" in 7 7/8" HOLE:

Production casing will be cemented with 400 sx Class "C" with 5 lb/sack salt and some fluid loss additive. This should be sufficient to bring the top of cement above the base of the intermediate casing. A float collar and shoe will be run. In addition, Centralizers will be placed on the bottom 4 joints of casing and across each potential zone of interest. Thread locking compound will be used on the bottom 4 joints of casing.

EXHIBIT F
DRILLING PROGNOSIS
SOUTHERN CALIFORNIA FEDERAL #6

LOCATION: 990' FSL & 660' FWL, Section 29, T19S, R32E
Lea County, New Mexico

PROPOSED DEPTH
AND OBJECTIVE: 7200' Delaware Test

CASING PROGRAM: Surface: 13 3/8" 48# H-40 ST&C Set at 900' in 17 1/2" hole
Intermediate: Tapered string of 8 5/8" 24# J-55 ST&C from
0 to 2400 ft and 8 5/8" 32# J-55 ST&C from
2400 ft to 4500 in 12 1/4" hole. DV tool
is to be run at \pm 2800 ft.
Production: 5 1/2" 15.50# K55 ST&C from surface to 7200 ft
in 7 7/8" hole. Sufficient cement will be
used to bring the top above the base of the
intermediate casing.

LOGGING PROGRAM: A compensated neutron/formation density, with gamma ray, caliper and
photoelectric measurements and a long spaced sonic for lithology. A
dual laterolog/MSFL log will be run for water saturation analysis.
All logs will be run from the base of intermediate casing to TD.

MUD LOGGING: Samples will be taken every 10 ft from 4500 ft to TD.

MUD PROGRAM:

0 - 900' Spud 17 1/2" hole with fresh water containing gel and lime, if
necessary for hole cleaning. Mud weight should be 8.5-8.7 lb/gal
with a viscosity of 33-35 sec/1000 cc.

900 - 4500' Drill out below surface pipe using 12 1/4" bit with 10 lb/gal brine
for drilling the native salt section. Lime will be added to maintain
a pH of 9.5-10.0. Partial or total lost circulation is expected in
the top of the Capitan Reef at \pm 2850 ft. If total loss does occur,
the remainder of the intermediate hole will be dry drilled with sweeps
to 4500 ft.

4500 - 7200' Drill out below intermediate casing with 9.0 lb/gal brine. Mud
weight should not exceed 9.3 lb/gal with a viscosity of 26-30 sec/1000
cc. and a chloride concentration of 100,000 ppm. A Drispac-type
system should be used to limit fluid loss to 15-18 cc. pH should be
maintained to 9.0-9.5 using additions of caustic soda and soda ash
as necessary. Any seepage should be controlled with drilling paper.

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APPLICATION TO DRILL

DAMSON OIL CORPORATION

SOUTHERN CALIFORNIA FEDERAL WELL #6

990' FSL and 660' FWL
Section 29, T19S, R32E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Damson Oil Corporation submits the following ten items of pertinent information to drill the subject well in accordance with Bureau of Land Management requirements.

1. The geologic surface formation is cretaceous.
2. The estimated tops of geologic markers are:
 1. Rustler 850
 2. Tansill 2380
 3. Yates 2535
 4. Seven Rivers 2746
 5. San Andres 4285
 6. Delaware 4645
 7. Bone Springs 7180
3. The estimated depths at which water, oil or gas-bearing formation are expected:
Water: 300 feet
Oil & Gas: Delaware 4700'-6700'
4. Proposed casing program: See Form 3160-3
5. Pressure control equipment: See exhibit E
6. Mud Program: See Exhibit F
7. Anticipated bottom-hole pressure: 3118 psig at a total depth of 7200 feet. No abnormal pressures are expected. Hydrogen sulphide gas may be encountered in the Capitan Reef, although none is expected. Appropriate safety precautions will be taken.
8. Testing, logging and coring programs:
Drill Stem tests:
No DST's will be taken
Logging:
Mud loggers will be used from 4500' to TD
Wireline Logging program: Compensated neutron, formation density, long spaced sonic, dual laterolog/MSFL
9. Anticipated starting date: As soon as possible.

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