APPLICATION FOR DRILLING SEELY OIL CO. McElvain Federal "A", Well No. 1 330' FNL & 590' FEL, Sec. 30-T18S-R34E Lea County, New Mexico Lease No.: NM-0245247 (Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Seely Oil Co. 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:

Rustler	1,680'
Base of Salt	3,000'
Queen	4,450'
Penrose	4,750'
San Andres	5100'
Delaware	5,600'
T.D.	6,000'

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

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in the Queen below 4,450', Penrose below 4,750' and the Delaware below 5,600'.

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- Gas: None expected.
- 4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT S	ETTING DEPTH	OUANTITY OF CEMENT	
11"	8 5/8 "	24.0#	J-55	ST&C	1,700'	QUANTITY OF CEMENT Circ. 580 sx "C"	
7 7/8"	5 1/2"	17.0#	J-55	ST&C	5,700'-6,000'	250 sx +/- of HL, + 560 sx Pozmix	

5. Proposed Control Equipment: See Exhibit "E":

BOP Program:

A 10" 3000 psi wp Cameron Space Saver, double ram BOP, will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8".

6.	Mud Program:.		MUD WEIGHT	VIS,	W/L CONTROL
	0' - 1700':	Fresh water mud	9.3 ppg	33	No W/L control
	1700' - 4100':	Brine mud:	10.0 ppg	32	No W/L control
	4100' - 6000':	Cut Brine mud w/gel:	8.8 ppg	32	W/L control 15 cc+/-

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.

8. Testing, Logging, and Coring Program:

Drill Stem	Tests: None unless w	arranted.
Logging:	T.D. to 1700':	G/R-Density Neutron, Dual Induction Log
	1700' to surface:	G/R, Neutron
Coring:	None planned unless w	arranted in the Queen.