APPLICATION FOR PERMIT TO DRILL WORKSHEET

(Based on the requirements contained in Onshore Oil and Gas Order Nos. 1 & 2)

All forms and information must be filed in triplicate

TORCH OPERATING COMPANY

SADDLE 34 FEDERAL COM, WELL NO. 1

1200' FNL & 660' FWL OF SECTION 34, T19S, R32E

LEA COUNTY, NEW MEXICO

A. FILE APPLICATION FOR PERMIT TO DRILL (FORM 3160-3)

B. LOCATION

Attach plat showing well location in feet from nearest section line or for areas not surveyed according to the rectangular system, by such means as is normal for the area, prepared and sealed or certified by a registered surveyor.

ATTACHED AS EXHIBIT A.

C. DRILLING PROGRAM

1. ESTIMATED GEOLOGICAL TOPS

Give estimated tops of important geological marker horizons, including geologic name of the surface formation:

FORMATION	<u>DEPTH</u>
Rustler Yates	850' 2,700'
Delaware	4,850'
Bone Springs	7,360'
Wolfcamp	10,400'
Strawn	11,335'
Atoka	11,785'
Morrow	12,200'
TD	13,000