

# APPLICATION FOR DRILLING

MANZANO OIL CORPORATION  
P.B.I.C. Federal, Well No. 1  
660' FNL & 660' FEL, Sec. 18-T18S-R32E  
Lea County, New Mexico  
Lease No.: NM-67986  
(Exploratory Re-entry Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Manzano Oil Corporation 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:

Behind casing:			
Yates	2485'	Delaware	4442'
Seven Rivers	2868'	Open hole below casing:	
Queen	3632'	Bone Springs	6386'
Penrose	3940'	1st Bone Spring	8000'
Grayburg	3992'	T.D.	8550'
San Andres	4289'		

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

Water: None expected. Existing casing set to 4971'.

Oil: Possible in Bone Spring between 8030' and 8088'.

Gas: None expected.

4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
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 planned.  
  
Logging: From existing casing to T.D.: G/R Neutron.  
  
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.
10. Anticipated starting date: December 15, 1987.  
Anticipated completion of drilling operations: Approximately 15 days.