

APPLICATION FOR DRILLING

C. E. LaRue and B. N. Muncy, Jr.

Walker Federal No. 3

In conjunction with form 9-331c, Application for Permit to Drill subject well, LaRue and Muncy submits the following items or pertinent information in accordance with MMS/BLM.

1. The geologic surface formation is quaternary.
2. The estimated tops of geologic markers are as follows:

Top salt	1280
Base salt	2320
7-Rivers	2480
Queen	3660
San Andres	4180
TD	5000

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

Water: Possible in random sands from surface to 200 ft.

Oil: 7-Rivers, Queen, San Andres, at depths listed in item 2.

4. Proposed casing program: See Form 9-331c
5. Pressure control equipment: See Form 9-331c Exhibit E.
6. Mud Program: Surface to 1000 ft. Fresh water and gel. 1000 ft to TD Brine water with gel.
7. Testing, Logging and Coring:
DST: Non planned.
Logging: Gr/CNL/FDC, D11 T.D. to 1000 ft. CCL/CBL T.D. to surface.
8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.