

APPLICATION FOR DRILLING

MANZANO OIL CORPORATION
Sun Pearl Federal , Well No. 1
1650' FSL & 1650' FEL, Sec. 28-T19S-R34E
Lea County, New Mexico
Lease No.: NM-56263
(Development Well)

In conjunction with Form 3160-3, 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:

Rustler	1702'	Queen	4493'
Top of Salt	1788'	Grayburg	4825'
Tansill	3300'	San Andres	5174'
Yates	3538'	Delaware	5414'
Seven Rivers	3845'	T.D.	6500'

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

Water: Random fresh water sands from surface to 300'+/-.

Gas: Yates below 3,538'.

Oil: Possible in the Seven Rivers, the Queen and the Delaware.

4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
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: One possible in the Queen.

Logging: Gamma Ray	Surf. Csg. to T.D.
DLL-MSFL, CNL-LDT	Below 8 5/8" to T.D.

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 to increase the mud weight.
10. Anticipated starting date: As soon as possible after approval.
Anticipated completion of drilling operations: Three weeks.