

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Crazy Horse 30 Federal #2
330' FSL & 990' FWL
Sec. 30, T19S, R33E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1&2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	1200'
Yates	2930'
Delaware	5235'
Bone Springs	7868'
TD	8000'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Yates & Delaware-Cherry Canyon
4. Proposed Casing Program: See Form 3160-3 and Exhibit G.
5. Pressure Control Equipment: See Exhibit H.
6. Mud Program: See Exhibit I.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No coring or DST's are anticipated. Electric logs will consist of a Compensated Neutron/Litho Density w/ Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4200' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.