

APPLICATION FOR DRILLING

Grover-McKinney Oil Company
Federal #3
1980' FSL & 2310' FEL
Section 9, T20S, R33E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Grover Oil Company submits the following ten items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is Surface Sand.

2. The estimated tops of geologic markers are as follows:

Yates	2975'
Seven Rivers	3200'

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

Water:	Less than 500'
Oil and gas:	Yates: 2975' to 3200'
	Seven Rivers: 3200' to 3250'

4. Proposed Casing Program: See Form 3160-3, and Exhibit H

5. Pressure Control Equipment: See Form 3160-3 and Exhibit E

6. Mud Program: See Exhibit G

7. Auxiliary Equipment: See Exhibit

8. Testing, Logging and Coring Programs:

Drill stem tests (all DST's to be justified by a valid show of oil):

Yates	2925'
Seven Rivers	3200'

Logging:

Mud Logging from 1000' to T.D.
Electric Log Program:

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible.

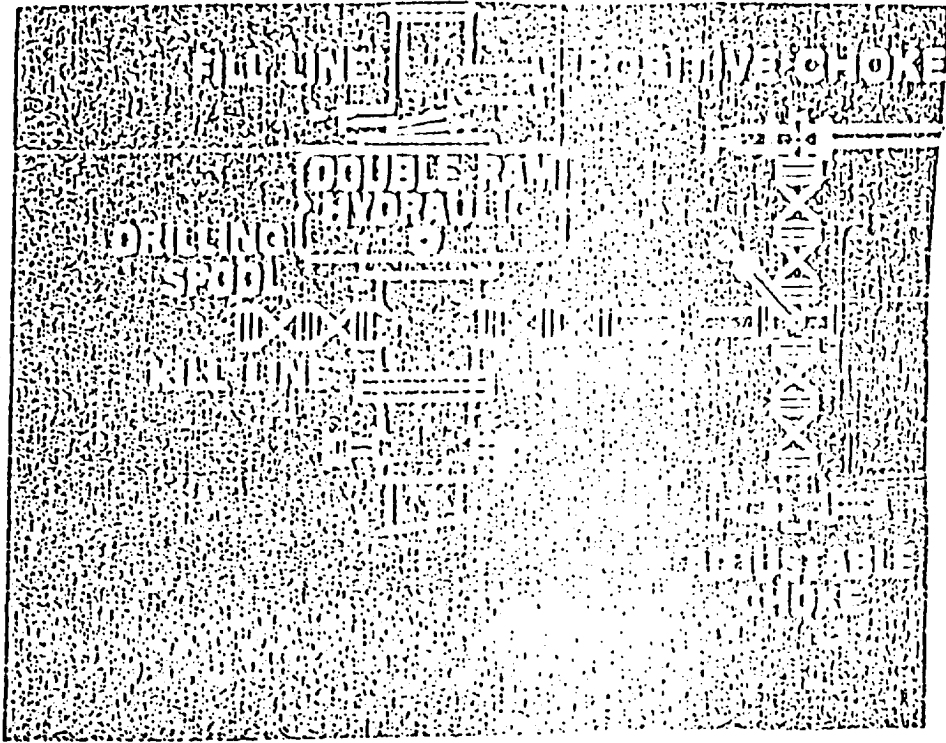


LTR



Job separation sheet

BOP Description



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