

SEPTEMBER 16, 1997
APPLICATION FOR PERMIT TO DRILL
STEVENS & TULL, INC.
FEDERAL "24" NO. 5

1,980' from the south line. 1,980' from the east line. Section 24,
T-20-S, R-38-E, Lea County, New Mexico.

The following items and attachments compliment Stevens & Tull, Inc.'s
permit to drill the Federal "24" No. 3.

The geologic surface formation is of Quaternary Age.

Estimated tops of geologic markers are as follows:
Yates - 3000', Seven Rivers - 3160', San Andres - 4300',
Blaine - 6030', Tubb - 6600', Drinkard - 6860',
ABO - 7150'.

The estimated depths at which water is expected are between
150' and 500'. The estimated depths which oil or gas is
expected is between 2900' through 7800'. Yates - Gas, Seven
Rivers - Gas, San Andres - Oil, Blaine - Oil, Tubb - Oil,
Drinkard - Oil, ABO - Oil. Fresh water zones will be
protected with independent casing and cement.

Red beds and fresh water will be protected with 8 5/8"-24#-
J-55, LT&C casing run to a good shoe setting depth at
approximately 1600' with centralizers and adequate cement
to circulate to the surface. The Oil Sands will be
protected with 5 1/2"-17#, J-55 and N80 LT&C casing run to
a total depth of the well and cemented with adequate
amounts to circulate to surface.

Pressure control, see the attached sketch.

Mud program, see the Horizon Mud Company recommendation
attached.

There is no planned auxiliary equipment.

Open hole logs will be run from total depth to surface.
No cores or DST's are planned.

No abnormal temperatures or pressures are expected. No lost
circulation is expected.

The anticipated starting date is January 15, 1998.