ZIA ENERGY, INC.

Attachment to "Application for Permit to Drill", Form 9-331 C

Federal No. 1 - 2310' FSL & 2310' FWL
Sec. 17, T22S, R37E, Lea County, New Mexico

1. **Location**

   See attached Form C-102

2. **Elevation**

   See attached Form C-102

3. **Geologic name of surface formation**

   Quaternary

4. **Type of drilling tools and associated equipment to be utilized**

   See Form 9-331 C

5. **Proposed drilling depth**

   See Form 9-331 C

6. **Estimated tops of important geologic markers**

   Base of Salt __2450'__   Grayburg __3620'__
   Yates __2570'__   San Andres __3820'__
   Seven Rivers __2860'__
   Queen __3350'__

7. **Estimated depths at which anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered**

   San Andres 3850'

8. **Proposed casing program, including size, grade, and weight of each string and whether it is new or used**

Depth	Size	Weight	Grade	New or Used
350'	8 5/8"	24#	J-55	Used
4200'	5 1/2"	14#	J-55	Used

9. Proposed cementing program

   8 5/8" Casing: Sufficient cement to circulate to surface.

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   5 1/2" Casing - Sufficient cement to circulate to surface.

10. Blowout Preventer Program is attached.

11. Type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling, and the quantities and types of mud and weighting material to be maintained.

   Surface to 350' - Native mud and fresh water.
   350' to 4200' - Brine water, native mud and sufficient commercial mud
                   to maintain good hole conditions.

12. Testing, logging and coring programs to be followed with provisions made for required flexibility.

   p' to 4200' - GR - CNL - FDC - DLL

13. Any anticipated abnormal pressure or temperatures expected to be encountered or potential hazards, such as hydrogen sulfide gas, along with plans for mitigating such hazards.

   None anticipated.

14. Anticipated starting date and duration of operation.

   Commence drilling - June 1, 1979.
   Complete operations - August 1, 1979.

15. Other facets of the proposed operation operator wishes to point out for the Geological Survey's consideration of the application.

   None