

APPLICATION TO DRILL

ARCH PETROLEUM, INC.
C.E. LaMUNYON # 75
UNIT "N" SECTION 22
T23S-R37E LEA CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Dual Induction, CNL, Density, Gamma Ray, Caliper from TD to 3000'.
- B. Run Gamma Ray, Neutron from 3000' to surface.
- C. Place mud logger on hole at 3000' and continue to TD.
- D. No cores of DST's are planned at this time, but may be run at the discretion of Geologist.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence of unsafe levels of H₂S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 4500 PSI & estimated BHT 165°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 30 days. If production casing is run an additional 25 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the Simpson pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an Oil well.