

APPLICATION  
HARVEY E. YATES COMPANY  
Hudson Federal #1  
Sec. 11, T-18S, R-31E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill the Subject Well in Section 11, Township 18 South, Range 31 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

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

Rustler	814	Delaware Sand	4860
Yates	2226	Bone Springs	5650
Yates "A"	2315	1st Bone Springs	7608
7 Rivers	2684	"B" Zone	7829
Bowers	3131	"Main Pay"	8030
Queen	3380	2nd Bone Spring	8150
Penrose	3592	Porostiy Zone	8415
Grayburg	3893	"C" Zone	8835
San Andres	4640		

3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs

4. Proposed casing program: See Form 9-331C.
5. Pressure Control equipment: See exhibit D.
6. Mud Program: See Form 9-331C.
7. Auxiliary equipment: Blowout preventer.
8. We are not planning to do any testing, logging or coring on this well.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.