

YATES PETROLEUM CORPORATION  
Zia "ZS" Federal Com. #1  
563' FSL & 2125' FWL  
Section 11-T20S-R29E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is alluvium.
2. The estimated tops of geologic markers are as follows:

Yates	1297'	Strawn "B"	10,727'
Delaware	3222'	Atoka	10,959'
Bone Springs	6122'	Morrow Clastics	11,622'
3rd Bone Springs Sand	9147'	Lower Morrow	11,872'
Wolfcamp	9720'	Austin Cycle	11,970'
Strawn "A"	10567'	TD	12,200'

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

Water: Approximately 150'

Oil or Gas: 9720'; 10,567'; 10,727'; 10,959'; 11,622'; 11,872'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:  
  
Samples: 10' samples out from under surface casing to TD  
DST's: As warranted  
Coring: None  
Logging: CNL/LDT from TD to casing with GR-CNL on to surface; DLL from TD to casing with RXO from TD over selected intervals.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.