

YATES PETROLEUM CORPORATION  
Cedar Lake "ADI" Federal Com #1  
2140' FNL and 660' FWL of  
Section 26-T17S-R30E  
Eddy County, New Mexico

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

1. The geologic surface formation is sandy alluvium.

2. The estimated tops of geologic markers are as follows:

Base of Salt	1226'	Atoka	10512'
Yates	1377'	Morrow	11082'
Queen	2439'	Morrow "A" Zone	11122'
San Andres	3332'	Morrow "B" Zone	11202'
Bone Springs Limestone	6132'+	Main Sand	11301-11346'
Wolfcamp	7972'—	Chester Austin Cycle	11386'
Cisco	9569'	Chester Duncan Cycle	11512'
Canyon	9824'	TD	11560'
Strawn	10197'		

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

Water: San Andres 3730-3880'; Yaso 5450-5580' and Wolfcamp 8930-9060'

Oil: Grayburg San Andres 2800-3530'; Wolfcamp 8257-8420' and Cisco 9570-9650'

Gas: Atoka 10740-11000' and Morrow 11090-11170' and 11240-11350'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C.

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

Mudlogging: One man unit out from under surface casing to TD

Logging: CNL/FDC from TD to casing w/GR-CNL on to surface; DLL from TD to casing

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.