

APPLICATION FOR DRILLING
Yates Petroleum Corporation
Lechuguilla Canyon Unit Well No. 7
Section 4-T24S-R24E
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 USGS requirements:

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

Delaware SS	2016'
Bone Springs LS	3317'
Wolfcamp	7571'
Strawn	8552'
Atoka	9135'
Morrow Clastics	9861'
Lower Morrow	10,110'

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

Water:	400' to 450'.	Base 650', 2450-3150'.
Oil or Gas:	Strawn	8552-9135'.
	Atoka	9135-9861'.
	Morrow	9861-10,310'.

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Exhibit E and Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
8. Testing, Logging, and Coring Programs:

Testing:	Drill Stem test as warranted. 10' samples from surface casing to TD.
Logging:	Compensated Neutron-Formation Density Logs. Dual Lateral Logs.
Coring:	None.
9. No abnormal pressures or temperatures are expected.
10. Anticipated Starting Date: As soon as possible.