

Yates Petroleum Corporation
Teckla "MD" Federal #2
660' FNL and 1980' FWL
Section 13 - T6S - R25E
Chaves 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 sandy alluvium.
2. The estimate tops of geologic markers are as follows:

| | |
|------------|-------|
| San Andres | 576' |
| Glorieta | 1361' |
| Abo | 3666' |
| Wolfcamp | 4338' |
| Penn | 4917' |
| T.D. | 5250' |
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

| | |
|-------------|---------------------------|
| Water: | Approximately 270' - 330' |
| Oil or Gas: | Abo 3700' |
| | Wolfcamp 4375' |
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: | Surface casing to TD. |
| DST's: | As Warranted |
| Logging: | Surface casing to TD |
| | CNL-FDC TD to casing with GR-CNL on to surface and |
| | DLL from TD to casing with R.O. |
| Coring: | None Anticipated |
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.