

YATES PETROLEUM CORPORATION
Estoril "YZ" Federal #1
1980' FSL and 660' FEL
Sec. 34-T4S-R24E
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 BLM requirements.

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

| | |
|------------|-------|
| San Andres | 614' |
| Glorieta | 1552' |
| Fullerton | 2932' |
| Abo | 3558' |
| TD | 4025' |
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximatley 250-300'

Oil or Gas: Abo 3575'
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: Surface casing to TD.

DST's: As warranted.

Coring: None.

Logging: CNL-FDC TD to csg w/GR-CNL to surface and DLL from TD to csg.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.