

Yates Petroleum Corporation
Walnut Draw KV Federal #1
1980' FSL & 660' FWL
Section 7 - T16S - 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. A geologic surface formation is quaternary alluvium.

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

San Andres	300'	Upper Penn	5600'
Glorieta	1425'	Siluro-Devonian	6150'
Abo	3600'	Orvovician	6450'
Wolfcamp	4350'	T.D.	6500'

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

Water: Approximately 400'

Gas: Abo 3600' Devonian 6200'
Wolfcamp 4350'
Upper Penn 5600'

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:

DST's: As Warranted

Logging: Intermediate casing - T.D.

Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected R_x O.

9. No abnormal pressures or temperatures are indicated.

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