

Yates Petroleum Corporation
Exxon "KU" Federal #1
2030' FNL & 1980' FWL
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 sandy alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	1212'	Lower Canyon	7650'
Abo	4570'	Strawn	8447'
Wolfcamp	5700'	Atoka	8597'
		Morrow Clastics	8842'
		Chester	9152'
		TD	9200'

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

Water: Approximately - 100', 150'

Gas: Strawn - Approx. 8400'
Atoka - Approx. 8600'
Morrow - Approx. 8850'

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: 10' spls - surface to TD
DST's: As warranted
Logging: Intermediate casing - T.D.
CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected R.O.
X
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.