

APPLICATION

HARVEY E. YATES COMPANY
Mesquite 3-1
Sec. 3, T-18S, R-31E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill the Subject Well in Section 3, Township 18 South, Range 31 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	757	San Andres	3965
Yates	2045	Delaware	7193
Queen	3148	Bone Springs	7310
Grayburg	3480	Wolfcamp	8950

3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs 7310' - 8630'.

4. Proposed casing program: See Form 9-331C.
5. Pressure Control equipment: See exhibit A.
6. Mud Program: See attachment.
7. Auxiliary equipment: Blowout preventer.
8. We are not planning to do any testing, logging or coring on this well.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.