

Attachment to "Application for Permit to Drill", Form 9-331 C

Yates Federal "B" Gas Com Well No. 1, Unit 0, 660' FSL x 1980' FEL, Section 9,
T-18-S, R-25-E, Eddy County, New Mexico.

1. Location

See attached Form C-102

2. Elevation

See attached Form C-102

3. Geologic name of surface formation.

Quaternary

4. Type of drilling tools and associated equipment to be utilized.

See Form 9-331 C

5. Proposed drilling depth.

See Form 9-331 C

6. Estimated tops of important geologic markers.

| | | | | | |
|----------|-------|----------|-------|--------|-------|
| Glorieta | 2150' | Wolfcamp | 4150' | Morrow | 8500' |
| Tubb | 3550' | Cisco | 6950' | | |
| Abo | 4150' | Strawn | 7800' | | |
| | | Atoka | 8150' | | |

7. Estimated depths at which anticipated water, oil, gas or other mineral-bearing formations are expected to be encountered.

| | | | |
|----------|-------|--------|-------|
| Wolfcamp | 4150' | atoka | 8150' |
| Cisco | 6950' | | |
| Strawn | 7800' | Morrow | 8500' |

8. Proposed casing program, including size, grade, and weight of each string and whether it is new or used.

| <u>Depth</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>New or Used</u> |
|--------------|-------------|---------------|--------------|--------------------|
| 400' | 13-3/8" | 48# | K-55 ST&C | New |
| 1500' | 8-5/8" | 24# | K-55 ST&C | New |
| 8700' | 5-1/2" | 15.5#-17# | K-55 ST&C | New |

9. Proposed cementing program.

13-3/8" Casing - Sufficient cement to circulate to surface.
8-5/8" Casing - Sufficient cement to circulate to surface.
5-1/2" Casing - Sufficient to tie back to 8-5/8" casing.