

APPLICATION FOR DRILLING

Harvey E. Yates Company  
Depco Federal #1  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 19, Township 18S, Range 29E, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with U.S.G.S. 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, KB measurement:

Anhydrite	125
Base Salt	716
Yates	911
Yates A Sand	959
Seven Rivers	1233
Total Depth	1300

3. We do not anticipate finding water but have listed the formations in which we anticipate finding oil:

Yates A Sand	959
Seven Rivers	1233

4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Form 9-331C and Exhibit E.
6. Mud program: Air and foam.
7. Auxiliary equipment: Blowout Preventer.
8. Testing, logging and coring program: Gamma Ray - Neutron is the only logging we plan. No coring or DST's are planned.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval but not later than November 30, 1978.