

Yates Petroleum Corporation
Federal AB #7
1980' FNL & 660' FWL
Section 9 T18S R25E
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 geological surface formation is quaternary alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	700'	Strawn	7885'
Glorieta	2098'	Atoka	8180'
Abo	4056'	Morrow Clastics	8380'
Wolfcamp Lime	5266'	Austin Cycle	8535'
Cisco	6500'	Chester	8575'
Lower Canyon	7379'	T.D.	8650'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Gas: 6550'	Water: Approximately 800' - 1050'
8000'	
8380'	
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 ft. samples out from under surface casing to TD
DST's:	As Warranted
Mud Logging:	One man unit out from under intermediate casing
Logging:	CNL-FDC T.D. to casing with GR-CNL on to surface and DDL logs from T.D. to casing with min. RxO T.D. to 6500'
9. No abnormal pressures to temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.