

APPLICATION

HARVEY E. YATES COMPANY  
Hondo 4 Federal #1  
Sec. 4, T-18S, R-31E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill the Subject Well in Section 4, 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 Managements 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	694	Bone Springs	7230
Cowden Anhy	1710	Wolfcamp	8870/8980
Yates	2080	Penn Marker	10060
Yates "A"	2130	Strawn	10820
7 Rivers	2460	Atoka	11000/11100
Bowers	2910	Morrow	11310
Queen	3165	Barnett	11970
Penrose	3370	TD	12100
Grayburg	3575		
San Andres	4250		
3. We do not anticipate finding water but have listed the formations in which we anticipate finding oil or gas.

Morrow 11310.
4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Exhibit C.
6. Mud Program: See Form 9-331C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: 6 DST's: 2-Bone Springs, 2-Wolfcamp, 1-Strawn and 1 -Morrow. Planned logs are CND w/GR and Caliper; DLL-MLL w/GR and caliper. We are not planning to do any coring.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible with a deadline date of December 15, 1984.