

**YATES PETROLEUM CORPORATION**

**Chalk "AKH" Federal #1  
1980' FSL and 660' FEL  
Section 22-T18S-R27E  
Eddy County, New Mexico**

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is Alluvium:
2. The estimated tops of geologic markers are as follows:

Queen	1,127'
Grayburg	1,697'
San Andres	1,966'
Glorieta	3,751'
Bone Springs	4,438'
3rd Bone Spring Sand	6,648'
Abo	5,719'
Wolfcamp Lime	6,732'
Penn	8,092'
Canyon	8,205'
Base Canyon Dolomite	7,834'
TD	8,600'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 275'
Oil or Gas:	Glorieta, Wolfcamp, Penn
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connections.
8. Testing, Logging and Coring Program:

Logging:	CNL-FCD from TD to casing, with GR-CNL up to surface; DLL from TD to casing.
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9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.