

YATES PETROLEUM CORPORATION

**Chalk "AKH" Federal #2
660' FNL and 1330' FEL
Section 27, 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 USGS requirements.

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

San Andres	1,150'
Bone Spring	4,460'
3rd Bone Spring	6,980'
Wolfcamp	7,100'
Cisco	7,572'
Strawn	8,800'
Atoka	9,350'
Morrow Clastics	9,700'
Lower Morrow	9,810'
Barnett Shale	10,000'
TD	10,025'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	250'
Oil or Gas:	Wolfcamp, Penn, Morrow
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.