

Yates Petroleum Corporation

Cotton "MX" Federal #1

~~660'~~ FNL and ~~1980'~~ FWL ~~2 70~~

Section 14-T19S-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 geologic surface formation is gravels.
2. The estimate tops of geologic markers are as follows:

San Andres	845'	Lower Canyon	7595'
Glorieta	2471'	Strawn	8235'
Yeso	2579'	Atoka	8739'
Bone Spring	3823'	Morrow Clastics	9055'
3rd Bone Springs Sd.	5571'	Chester LS	9350'
Wolfcamp	5861'	T.D.	9400'

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Gravels 0-420'; 980-1200'; 5700-6600'; 7750-7900'

Oil or Gas: 2470-2780'
8740-8840'
9060-9350'

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: Surface casing to TD
DST's: As Warranted
Logging: Intermediate casing to TD
Coring: CNL-FDC TD to casing with GR-CNL on to surface and
DLL from TD to casing with selected min. R_xO.

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.