

Yates Petroleum Corporation
Allison "CQ" Federal #7
1980' FNL & 660' FWL
Section 23, T19s, R24e
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 quarternery alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	305'	Lower Canyon	7275'	Lower Morrow	8770'
Glorieta	1653'	Strawn	7925'	Austin Cycle	8950'
Abo	3880'	Atoka	8425'	Chester	9000'
Wolfcamp Lime	4950'	Morrow Clastics	8720'	TD	9100'

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

Water: Approximately 250'

Wolfcamp	5000'
Atoka	8460'
Morrow	8780'

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' samples from under surface casing to TD.
DST's: Possible Basal Abo; otherwise as warranted
Logging: CNL-FDC TD-casing with GR-CNL on up to surface; DLL-TD casing with min. R_xO .
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.