

APPLICATION FOR DRILLING

YATES PETROLEUM CORPORATION
Deer Canyon-South "ACK" Federal Comm., Well No. 1
1980' FNL & 660' FWL, Sec. 35-T20S-R21E
Eddy County, New Mexico
Lease No.: NM-25336
(Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is San Andres, which is recent Permian, with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

San Andres	Surface	Strawn	6975'
Glorietta	1290'	Atoka	7475'
Tubb	2655'	Morrow	7832'
Abo	3290'	M-3 Oolite	7890'
Wolfcamp	4340'	Morrow S/S	7980'
Cisco-Up. Can.	5745'	Chester LS	8040'
Canyon LS	6605'	T. D.	8150'

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

Water: In the San Andres between 300' to 1290'.

Oil: None

Gas: Cisco Upper LS 5745' to 6490'
Morrow: 7850' to 8040'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout Preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:
Drill Stem Tests: One possible in the Morrow.
Logging: Dual Ind. Laterolog Int. Csg. to T. D.
Litho-Density Comp. Nuetron Int. Csg. to T. D.
Micro Log Int. Csg. to T. D.
Coring: None
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.

10. Anticipated starting date: May 10, 1985.
Anticipated completion of drilling operations: Approximately 30 days.