

YATES PETROLEUM CORPORATION
Saguaro "AGS" Fed. Com. #1
1980' FSL & 660' FWL
Sec. 11-T20S-R24E
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	432'	Base Dolomite	7712'
Glorieta	1982'	Strawn	8178'
Bone Spring	3460'	Atoka	8753'
Abo	4668'	Morrow Clastics	9138'
Wolfcamp Lime	5334'	Austin Cycle	9298'
Canyon Lime	7503'	Chester Lime	9391'
Canyon Dolomite	7582'	TD	9600'

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

Water: Approximately 275'

Oil or Gas: Wolfcamp, Strawn, Atoka, Morrow

4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3.
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 connection.
8. Testing, Logging and Coring Program:

Samples: 10 foot samples out from under surface casing to TD.
DST's: As warranted
Coring: None
Logging: CNL-LDT from TD to casing with GR-CNL up to surface; DLL(with min RXO) from TD to casing; Possible long spaced sonic.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.