

YATES PETROLEUM CORPORATION

Hill View "AHE" Fed. Com. #1
660' FNL & 660' FWL
Section 12-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	555'
Glorieta	2127'
Bone Spring	3473'
Wolfcamp Lime	5472'
Canyon	7607'
Canyon Dolomite	7690'
Base Dolomite	7950'
TD Canyon	8150'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 275'

Oil or Gas: Wolfcamp, Canyon
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' 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.