

YATES PETROLEUM CORPORATION

**Judith "AIJ" Federal #1
660' FSL and 660' FEL
Section 9-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 | 396' ✓ |
| Glorieta | 1,850' ✓ |
| Abo Green Shale | 4,082' ✓ |
| Abo Reef Dolomite | 4,202' ✓ |
| Wolfcamp Lime | 5,341' ✓ |
| Canyon Lime | 7,349' |
| Canyon Dolomite | 7,527' |
| Base Canyon Dolomite | 7,577' |
| Strawn | 7,886' ✓ |
| TD | 8,100' |
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

| | |
|-------------|-----------------------|
| Water: | Approximately 275' |
| Oil or Gas: | Abo, Wolfcamp, Canyon |
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
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 connections.
8. Testing, Logging and Coring Program:

Samples: 10' samples from 300' depth to TD.

DST's: As warranted by drilling breaks and shows; possible DST in Abo reef.

Logging: CNL-LDT from TD to casing, with GR-CNL up to surface;
DLL with RxO from TD to casing; LSS TD to casing.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.