

YATES PETROLEUM CORPORATION

Conoco "AGK" Federal #14

660' FSL and 660' FWL

Section 15-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 BLM requirements.

1. The geological surface formation is Alluvium:
2. The estimated tops of geologic markers are as follows:

San Andres	483'
Glorieta	2,009'
Bone Spring	3,359'
3rd Bone Springs Sand	4,289'
Abo Green Shale	4,681'
Abo Fore Reef Talus	5,038'
Wolfcamp Lime	5,388'
Canyon Lime	7,391'
Canyon Dolomite	7,445'
Base Dolomite	7,485'
Canyon TD	7,920'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 250'
Oil or Gas:	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 400' to TD.

DST's: As warranted by drilling breaks and shows.

Coring: As warranted.

Logging: CNL-LDT from TD to casing, with GR-CNL up to surface;
DLL with RxO from TD to casing.
9. No abnormal pressures or temperatures are anticipated. No H₂S expected during drilling operations.
10. Anticipated starting date: As soon as possible after approval.