

**YATES PETROLEUM CORPORATION**  
**Walt Canyon "AMA" Federal #1**  
**990' FSL and 2310' FEL**  
**Section 3-T22S-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 caliche:
2. The estimated tops of geologic markers are as follows:

|             |        |
|-------------|--------|
| San Andres  | 533'   |
| Delaware    | 1,302' |
| Bone Spring | 2,100' |
| Wolfcamp    | 7,374' |
| Canyon      | 7,940' |
| TD          | 8,800' |
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

|             |                     |
|-------------|---------------------|
| Water:      | Cased Over.         |
| Oil or Gas: | All Zone Potential. |
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: | N/A  |
| DST's:   | N/A  |
| Coring:  | N/A  |
| Logging: | CNL-LDT from TD to casing, with GR-CNL up to surface;<br>DLL from TD to casing with RXO from TD over selected intervals. |
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.