

YATES PETROLEUM CORPORATION
Pan Am Pardue "ALZ" Federal Com #1
1140' FSL and 1350' FWL
Section 27-T21S-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	1,276'
Glorieta	2,812'
Yeso	2,942'
Bone Spring	3,180'
Wolf Camp	7,220'
Canyon	7,903'
Lower Strawn	8,831'
Atoka	9,253'
Morrow Clastics	9,832'
Lower Morrow	10,034'
TD	10,350'
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:	10' samples from new drilling.
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 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.