

YATES PETROLEUM CORPORATION

Arco "EI" Federal #2
990' FNL and 2310' FEL
Section 13, T21S-R26E
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:

Delaware Sand	2,682'
Bone Springs	4,854'
Strawn	10,092'
Atoka	10,506'
Morrow	10,877'
Barnett	11,418'
TD	11,520'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	450' +/-
Oil or Gas:	Morrow 10,877
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 connection.
8. Testing, Logging and Coring Program:

None required as this is a re-entry.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.