

Yates Petroleum Corporation  
Hilliard ~~BF~~ Federal #2\  
330' FNL & 2310' FWL  
Section 14 - T21S - R22E  
Eddy County, New Mexico

In conjunction with Form 9-331C, 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 geologic surface formation is Grayburg.

2. The estimate tops of geologic markers are as follows:

San Andres	230'	Lower Canyon	7058'
Glorieta	1750'	Strawn	7558'
Wolfcamp Limestone	5043'	Atoka	8279'
		Morrow Clastics	8684
		Mississippian Limestone	9189'
		T. D.	9500'

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 600' (SA)

Gas Possibilities: Wolfcamp - 5100'  
Canyon - 7100'  
Strawn - Approx. 7600'  
Atoka - Approx. 8300'  
Morrow - Approx. 8750'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

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:

DST's: As Warranted

Logging: Intermediate casing - T.D.

Coring: CNL-FDC T. D. to casing with GR-CNL on to surface and  
DLL from T. D. to casing with selected R<sub>x</sub>0.

9. No abnormal pressures or temperatures are indicated.

10. Anticipated starting date: As soon as possible after approval.