

Yates Petroleum Corporation  
Antongiovanni "MJ" Federal #1  
660' FSL and 1980' FEL  
Section 1 - T20S - R28E  
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 quaternary alluvium.
2. The estimate tops of geologic markers are as follows:

Yates	890'	Strawn	10,165'
Delaware	3000'	Atoka	10,470'
Bone Spring Limestone	5377'	Morrow	11,004'
Wolfcamp	9020'	Lower Morrow	11,270'
		TD	11,700'

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

Water: Approximately 250' and Capitan Reef approximately 1150'

Gas: Wolfcamp @ 9450-9550'  
Strawn @ 10250-10350'  
Atoka @ 10600-10700'  
Morrow @ 11150-11500'

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: Possible Bone Spring, Wolfcamp, Strawn, Upper Morrow  
Logging: From intermediate casing to T.D.  
Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and  
DLL from T.D. to casing with min. R.O.  
Samples: 30' spls. 0-base surface hole; 10' spls. base surface casing to T.D.
9. Abnormal pressures or temperatures are possible in the Wolfcamp, Strawn and Atoka. Adequate precautions will be taken.
10. Anticipated starting date: As soon as possible after approval.