

Yates Petroleum Corporation  
Searle "ML" Federal #1  
1980' FSL & 2030' FWL  
Section 11 - 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	211'	Atoka	8342'
Glorieta	1788'	Morrow Clastics	8710'
Wolfcamp	5098'	Austin	9018'
Lower Canyon	7080'	Chester	9124'
Strawn	7606'	Mississippian Lime	9191'
		TD	9300'

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. 7620'  
Atoka - approx. 8350'  
Morrow - approx. 8730'

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 - TD.

Coring: CNL-FDC TD to casing with GR-CNL on to surface and  
DLL from TD to casing with selected R.O.  
x

9. No abnormal pressures or temperatures are indicated.

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

