

Yates Petroleum Corporation  
Mescal "SE" Federal #1  
660' FNL & 1750' FWL  
Section 18-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 quaternary alluvium.
2. The estimated tops of geologic markers are as follows:

Glorieta	1420'	Atoka	7680'
Tubb	2855'	Morrow Clastics	8000'
Abo	3425'	Lower Morrow	8120'
Wolfcamp LS	4460'	Austin	8235'
LW Canyon	6670'	Chester	8340'
Strawn	7175'	Mississippian	8410'
		TD	8500'

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

Water: Approximately 975' and 1400'

Oil or Gas:	Strawn	7175'
	Atoka	7680'
	Morrow	8000'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit D.
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: Mud logging from casing point  
Coring: None CNI-FDC and DLL logs.
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.