

YATES PETROLEUM CORPORATION
Springs AEU Federal Com #1
1882' FNL and 1650' FEL of
Section 3-T21S-R25E
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 BLM requirements.

1. The geological surface formation is quaternary alluvium.

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

Delaware Sandstone	1730'	Morrow	10010'
Bone Springs Limestone	2608'	Upper Morrow	10061-10105'
3rd Bone Springs Sandstone	7198'	M-3 Oolite	10120'
Wolfcamp	7579'	Lower Morrow	10298'
Canyon Dolomite	8133'	Chester Shale	10403'
Strawn	8768'	TD	10500'
Atoka	9545'		

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

Water: Canyon Dolomite 8132-8683'

Oil or Gas: Upper Morrow 10061-10105'; Middle Morrow 10150-10275'; Lower Morrow 10298-10403'

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

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

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: CNL/LDC from TD to casing with GR-CNL on to surface; DLL from TD to casing

Samples: 10' intervals out from under surface casing to TD; mudlogger on out from under surface casing

Coring: None

9. No abnormal pressures or temperatures are anticipated.

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