

YATES PETROLEUM CORPORATION

Gazelle "AHG" Federal Com. #1  
2250' FNL & 1160' FWL  
Section 15-T20S-R29E  
Eddy County, New Mexico

In conjunction with Form 3160-3, 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 geological surface formation is alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler	423'	Strawn "A"	10,508'
Base of Salt	1243	Strawn "B"	10,658'
Yates	1526'	Atoka	10,873'
Delaware	3182'	Morrow Clastics	11,497'
Bone Springs	6032'	Lower Morrow	11,743'
3rd Bone Springs Sand	8869'	Austin Cycle	11,875'
Wolfcamp	9457'	TD	12,200'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 150'

Oil or Gas: 9,457'; 10,508'; 10,658'; 10,873'; 11,497'; 11,743'
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
6. Mud Program: See Form 3160-3.
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:

Samples: 10' samples out from under surface casing to TD.

DST's: As warranted by drilling breaks and shows.

Coring: None

Logging: CNL-LDT from TD to casing with GR-CNL on to surface; DLL to casing with RXO from TD over selected intervals; line spaced sonic TD to casing.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.