

Application
HARVEY E. YATES COMPANY
Cabin Lake 34 Federal #1
Sec. 34, T21S, R30E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 34, Township 21 South, Range 30 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follow:

Rustler	130'	Bell Canyon	3660'
Salado	510'	Cherry Canyon	4660'
Castile	2200'	Brushy Canyon	5730'
B/Salt	3300'	Bone Spring	7400'
Lamar	3610'	TD	7500'
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Brushy Canyon 5730'
4. Proposed casing program: See Form 3160-3. HEYCO will be using some used casing when applicable.
5. Pressure control equipment: See Exhibit C. Although the rig equipment is 3M rated, this well will be a 2M PSI rating.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: No DST are anticipated. Possible coring in the Delaware. Planned logs are DLL-Micro w/GR & Caliper and CN-Den w/GR & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.