

YATES PETROLEUM CORPORATION

**SLINKARD "UR" Federal #4
660' FNL and 1980' FWL
Section 12-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 BLM requirements.

1. The geological surface formation is Alluvium:
2. The estimated tops of geologic markers are as follows:

Base Salt	1,364'
Yates	1,541'
Capitan Reef	1,910'
Delaware	3,224'
Bone Spring Lime	6,059'
3rd Bone Spring Sand	9,015'
Wolfcamp	9,658'
Strawn "A" Zone	10,659'
Strawn "B" Zone	10,809'
Atoka	11,023'
Morrow Clastics	11,682'
Lower Morrow	11,944'
Austin Cycle	12,042'
TD	12,300'

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

Water:	Approximately 150'
Oil or Gas:	Wolfcamp, Strawn, Atoka & Morrow
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 connections.
8. Testing, Logging and Coring Program:

Samples: 10' samples from surface to TD.

DST's: As warranted; possible Delaware, Strawn and Morrow.

Logging: CNL-LDT from TD to casing, with GR-CNL up to surface;
DLL with RxO from TD to casing; LSS TD to casing.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.