

**YATES PETROLEUM CORPORATION**

**Bonneville "AKK" Federal #2  
660' FSL and 200' FEL  
Section 24-T21S-R31E  
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 Sandy Alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler	804' TVD
Top of Salt	1,136' TVD
KOP	3,200' TVD
Base of Salt	3,384' TVD
Bell Canyon	4,384' TVD
Cherry Canyon	5,452' TVD
Brushy Canyon	7,189' TVD
Bone Springs	8,374' TVD
TD	8,500' TVD

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

Water:	150'
Oil or Gas:	5452, 7189, and 8374'

4. Proposed Casing Program:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Setting Depth</u>
17 1/2"	13 3/8'	54.5#	J-55	ST&C	850'
12 1/2"	8 5/8'	32.0#	J-55	LT&C	4500' TVD
7 7/8"	5 1/2'	15.5# & 17#	J-55	LT&C	TD

Surface pipe (0' - 850') will be cemented with 600 sacks C-Lite + 2% CaCl + 1/4 lb/sk Celloseal. Yield 1.76 cu.ft./sk. Weight will be 12.9 lb/gal. Tailed in with 200 sacks C with 2% CaCl + 1/4 lb/sk Celloseal. Yield 1.33 cu.ft./sk. Weight will be 14.8 lb/gal. Quantity sufficient to circulate to surface.

Intermediate pipe (0' - 4500') will be cemented with 1200 sacks C-Lite + 10 lbs/sk salt + 1/4 lb/sk Celloseal. Yield 1.94 cu.ft./sk. Weight will be 12.9 lb/gal. Tailed in with 200 sacks C + 1% CaCl. Yield 1.32 cu.ft./sk. Weight will be 13.8 lb/gal. Quantity will be sufficient to circulate to surface.

Production pipe (0' - 8500') will be cemented to surface amount to be determined after caliper log, Class H + 5 lb. CSE + .7% CF-14 + 10 lb/sk Gilsonite. yield 1.45 cu.ft./sk. Weight will be 14.4 lb/gal.

5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.