

YATES ENERGY CORPORATION
Texasville Federal Com #1
1980' FSL & 1980' FWL
Section 27, T23S, R23E
Eddy County, New Mexico

In conjunction with Form 9-331-C, Application for Permit to Drill the well captioned above, Yates Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

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

Base of Capitan Reef	2550'	Atoka	9049'
Bone Springs	4270'	Morrow Clastics	9425'
Wolfcamp	7400'	Morrow "AC" Sand	9764'
Cisco	7974'	Lower Morrow	9905'
Canyon	8309'		
Strawn	8615'		

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

Water: Fresh water at approximately 150'

Oil or Gas: Cisco 7974', Canyon 8309', Strawn 8615', Top of Morrow Clastics 9425', Morrow "AC" Sand 9764', Lower Morrow 9905'

4. Proposed Casing Program: See Form 9-331-C
5. Pressure Control Equipment: See Form 9-331-C and Exhibit.
6. Mud Program:

0 - 350'	FW Spud,
350' - 2600'	FW, 8.6#/gal., Vis. 28
2600' - 7000'	Cut brine, 8.7-9.0#/gal., Vis. 29
7000' - TD	Cut brine, 9.1-9.3#/gal., Vis. 31
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; full-opening safety valve on floor with drill pipe and collar connections.
8. Testing, Logging and Coring Program:

DST's:	If Warranted
Coring:	None planned
Logging:	Intermediate to TD
	CNL-LDT to casing with GR-CNL on to surface and DLL from TD to casing with selected RxO.
9. No abnormal pressures or temperatures are anticipated. In the event they are encountered, the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: Around October 15, 1990. Drilling time will be approximately 35 days.