

YATES PETROLEUM CORPORATION

Dolores "AIL" Federal #2  
1980'FSL & 430'FEL  
Section 14-T22S-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 USGS requirements.

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

Rustler	810'
Top of Salt	1,120'
Bell Canyon	4,397'
Cherry Canyon	5,482'
Brushy Canyon	7,190'
Bone Springs	8,316'
TD	8,500'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	150'
Oil or Gas:	7190' and 8316'
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.