

Application
HARVEY E. YATES COMPANY
Donell 3 Federal #1
Sec. 3, T22S, R30E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 3, Township 22 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:

Ruslter	125'	Bell Canyon	3630'
Salado	480'	Cherry Canyon	4675'
Castile	1800'	Brushy Canyon	5675'
B/Salt	3275'	Bone Spring	7375'
Lamar	3560'	TD	7500'

3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Brushy Canyon, Cherry Canyon & Bell Canyon

4. Proposed casing program: See Form 3160-3. HEYCO will be using some used casing when applicable.
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: No DST or coring is anticipated. The planned logs are 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.