

YATES PETROLEUM CORPORATION  
Long Arroyo "MQ" Federal #2  
660' FNL and 990' FEL  
Section 26-T14S-R25E  
Chaves County, New Mexico

In conjunction with Form 9-331C, 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 geologic surface formation is quaternary alluvium.

2. The estimated tops of geologic markers are as follows:

San Andres	1451'	Morrow Clastics	7928'
Abo	4978'	Chester	8113'
Wolfcamp Lime	6058'	Mississippian Lime	8172'
Cisco	6890'	TD	8350'
Lower Canyon	7234'		
Strawn	7425'		
Atoka	7822'		

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

Water: Approximately 250'

Oil or Gas: 7450', 7850', 8000'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment;  
sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples: 10' spls. surface to TD

DST's: as warranted

Coring: 5800- TD

Logging: CNL-FDC TD to csg. w/GR-CNL onto surface and DLL from TD to  
csg. w/min RxO.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.