YATES PETROLEUM CORPORATION
Federal "DP" #1
330' FSL and 330' FEL
Sec. 30-T17S-R25E
Eddy 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:

   TD 1400'

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

   Water: 150-350' and 700-950'

   Oil or Gas: San Andres 1300-1400'

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

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

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' samples from under surface.
   DST's: none
   Coring: none
   Logging: GR-Nuetron

9. No abnormal pressures or temperatures are anticipated.

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