

APPLICATION FOR DRILLING

Yates Petroleum Corporation
Alexander "IC" Federal Well No. 2
Section 32-T8S-R30E
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 U.S.G.S. requirements:

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

Anhydrite	1010'
Yates	1502'
Queen	2161'
San Andres	2666'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: No specific data available. Possibly from Triassic formation.

Oil or Gas: San Andres - approximately 3373'-3600'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit D.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout Preventer, Drill Pipe Blowout Preventer, Kelley Cock
8. Testing, logging and coring Programs: No testing or coring.

Gamma Ray Neutron Log.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.