

GEOLOGICAL INFORMATION PERTAINING TO THE APPLICATION
FOR ADMINISTRATIVE APPROVAL OF THE PROPOSED
UNORTHODOX LOCATION OF
YATES PETROLEUM CORPORATION'S

KOCHIA "AAM" STATE #1

Yates Petroleum Corporation requests approval for deepening its No. 1 Kochia "AAM" State to the Devonian at an unorthodox oil well location. This well has been drilled 990 feet from the South line and 2310 feet from the East line of Section 35, Township 15 South and Range 36 East, to the Strawn formation. The West half of the southeast quarter of Section 35 is dedicated to the well. The southwest quarter of the southeast quarter of Section 35 would be dedicated to a Devonian well.

Exhibit No. 1 is a land plat showing the well location and its relationship to the surrounding acreage. Yellow denotes acreage in which Yates has full or partial interest in operating rights.

Exhibit No. 2 is a combined structure map, with dotted contours indicating Strawn elevation and solid contours denoting Devonian structure.

Within the subject proration unit, outlined in red, Strawn as well as Devonian struture reaches its peak toward the West. Strawn structure seems superimposed on older Devonian structure. It is therefore assumed that, where the Strawn is found in a structurally advantageous position, the Devonian structure will be equally, if not even more, favorable.