APPLICATION

HARVEY E. YATES COMPANY CAVINESS 11 FEDERAL 1 SEC. 11, T-18S, R-33E LEA COUNTY, NEW MEXICO

In conjunction with Form 3160-3, Application for Permit to Drill the subject well in Section 11, Township 18 South, Range 33 East, Lea 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 surfical deposits.
- 2. The estimated tops of geologic markers are as follows:

Rustler	1620'	Cowden Anhy	2150'
Yates	3075'	7 Rivers	3500'
Bowers	3975'	Queen	42501
Penrose	4498'	Grayburg	4800'
San Andres	5210'	Delaware	5700'
Bone Springs	65001	Wolfcamp	9850'
TD	10000'		

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

Bone Springs @ 6500

- 4. Proposed casing program: See Form 3160-3
- 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 cores are planned. 3 DST's are planned. 2 Bone Springs & 1 Wolfcamp. D-N/GR & DDL-Micro logs will be run.
- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible.