

APPLICATION FOR DRILLING

HARVEY E. YATES COMPANY  
Caviness 10 Federal 1  
Sec. 10, T-18S, R-33E  
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 10, 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 surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	1600'	Grayburg	4770'
Yates	3050'	BFSA	5180'
7 Rivers	3485'	Delaware Sand	5690'
Bowers	3960'	Bone Spring	6530'
Queen	4230'	TD	9600'
Penrose	4480'		
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs	6530'
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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:

One DST is planned in the Bone Springs. We are planning to core the Queen. Planned logs are DLL-Micro w/GR & Caliper, CN-Den w/GR & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.