Application

HARVEY E. YATES COMPANY Caviness 11 Federal #2 Section 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 surficial deposits.
- 2. The estimated tops of geologic markers are as follows:

Rustler	1540'	Grayburg	4760'
Yates	3010'	San Andres	5180'
7 Rivers	3450'	Delaware Sand	58751
Bowers	3930'	Bone Spring	6600'
Queen	4200'	TD	98001
Penrose	4470'		

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

Bone Springs 6600'

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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: No cores or DST's are planned. D-N/GR & DDG-Micro logs will be run.
- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible.

