

YATES PETROLEUM CORPORATION

Lusk "AHB" Federal #2  
1980' FNL and 1650' FEL  
Section 35, T19S-R32E  
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

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

Rustler	1,050'
Yates	2,930'
Delaware	4,430'
Brushy Canyon	6,260'
Bone Springs	7,720'
TD	7,900'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	150' - 1100' Red Bed
Oil or Gas:	6260' and 7720'

4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.