

YATES PETROLEUM CORPORATION

**Lusk "AHB" Federal #9
1650' FNL and 1040' 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 Sandy Alluvium:

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.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connections.

8. Testing, Logging and Coring Program:

Samples: Out from under surface casing to TD.

DST's: As warranted.

Coring: None anticipated.

Logging: Dual Induction Laterolog, Gamma Ray/Litho Density, Gamma Ray/Compensated Neutron with Caliper Log.

9. No abnormal pressures or temperatures are anticipated. No H₂S is expected to be encountered during drilling operations.

10. Anticipated starting date: As soon as possible after approval.