APPLICATION FOR DRILLING

HARVEY E. YATES COMPANY Young Deep 3 Federal #5 Sec. 3, T-18S, R-32E Lea County, N. M.

In conjunction with Form 9-331C, Application for Permit to Drill the Subject Well in Section 3, Township 18 South, Range 32 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	1250	Delaware Sand	5456
Cowden Anhy	2350	Bone Spring	6036
Yates	2725	lst B. Sp Sd	7896
Yates "A"	2775	"B" Zone	8021
7 Rivers	3150	"Main Pay"	8396
Bowers	3610	2nd B. Sp. Sd.	8521
Queen	3896	B/Porosity Zone	8821
Penrose	4120	"C" Zone	8896
Grayburg	4410	3rd B. Sp. Sd	9221
San Andres	4750	PTD	9300

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

Bone Springs 6036' - 9221'.

- 4. Proposed casing program: See Form 9-331C.
- 5. Pressure control equipment: See Exhibit C.
- 6. Mud program: See Form 9-331C.
- 7. Auxiliary equipment: Blowout preventer.
- 8. Testing, logging and coring programs: There are four possible DST's. We do not plan to core. The planned logs are Comp. Neutron - Densilog w/Gamma Ray and Caliper; Dula Induction-Mini Log or Dual Laterlog - Micro SFL with Gamma Ray and Caliper.
- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible.

