

Application

HARVEY E. YATES COMPANY  
Tank 1 Federal #2  
Section 1, T-18S, R-32E  
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 1, 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	1330'	Grayburg	4570'
Yates	2810'	San Andres	4900'
7 Rivers	3240'	Delaware Sand	5680'
Bowers	3730'	Bone Springs	6360'
Queen	4010'	TD	9500'
Penrose	4275'		

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

Bone Springs    6360'

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: Two possible DST's both in the Bone Springs. We are not planning to do any coring. Planned logs are DLL-Micro w/GR & Caliper, CN-Den w/GR and Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.