

## Application

HARVEY E. YATES COMPANY  
Querecho Plains 22 Federal #1  
Section 22, T18S, R32E  
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 22, 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	1125'	Delaware	5700'
Yates	2690'	Bone Springs	6740'
Seven Rivers	3150'	Wolfcamp	10000'
Bowers	3600'	Penn	10810'
Queen	3875'	Strawn	11500'
Penrose	4140'	Atoka Clastics	11810'
Grayburg	4500'	TD	11900'

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

Strawn 11500'

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 & Hydril
8. Testing, logging and coring programs: We are planning DST's in the Bone Spring & Strawn. No coring is anticipated. Planned logs are CNL-FDL w/GR & Caliper, DLL-MSFL w/Gr & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.