

Application

HARVEY E. YATES COMPANY
EWT 1 Federal #2
Section 1, T18S, R32E
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	4590'
Yates	2820'	San Andres	4950'
Seven Rivers	3240'	Delaware Sand	5664'
Bowers	3740'	Bone Spring	6350'
Queen	4018'	TD	9250'
Penrose	4290'		

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

Bone Spring 6350'

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: We do not plan to core or DST. The planned logs are DLL/Micro w/GR and Caliper, CN-Den w/GR and Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.