

Application
HARVEY E. YATES COMPANY
Young Deep Unit #34
Sec. 9, T18S, R32E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 9, 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 follow:

Rustler	1150'	Penrose	4125'
Yates	2750'	Grayburg	4425'
7 Rivers	3125'	San Andres	4900'
Bowers	3600'	Delaware	5000'
Queen	3850'	Brushy Canyon	5550'
		TD	5900'

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

Brushy Canyon, Cherry Canyon, Delaware
4. Proposed casing program: See Form 3160-3. HEYCO will be using some used casing when applicable.
5. Pressure control equipment: See Exhibit C. Although the rig equipment is 3M rated, this well will be a 2M PSI rating.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: One possible DST in the Delaware. No coring is anticipated. The planned logs are DLL-Micro w/GR & Caliper and CN-Den w/GR & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.