

**Application
Harvey E. Yates Company
Bola 7 Fed #3
Section 7, T18S, R32E
Eddy County, New Mexico**

In conjunction with Form 3160-3, Application For Permit To Drill Or Deepen subject well, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. **Geologic Name of Surface Formation:**
Quaternary alluvium and bolson deposits
2. **Estimated Tops of Significant Geologic Markers:**
Rustler 1,020', Yates 2,560', Seven Rivers 2,930', Bowers 3,430', Queen 3,700', Penrose 3,940', Grayburg 4,245', Loco Hills 4,380', San Andres 4,725', Delaware 4,935', Bone Springs 6,070', BSPG 1st Sand 7,880', BSPG "B" Zone 8,080', BSPG 2nd Sand 8,530', , BSPG "C" Zone 9,050, 3rd Sand 9,225', PTD 9,725'.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**
Oil: Bone Spring 1st sand @ 7,880
Gas: Bone Spring 1st sand @ 7,880
4. **Proposed Casing Program:**
See Form 3160-3
5. **Pressure Control Equipment:**
BOP & Annular. See Exhibit C.
6. **Drilling Fluid Program:**
See Form 3160-3
7. **Auxiliary Equipment:**
H2S Compliance package
8. **Testing, Logging, & Coring Program:**
One DST is planned for the "B-C" Zone Carbonates. The planned logs are GR, CNL-ZDEN, DACS, DLL-MLL logs.
9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**
No abnormal conditions are anticipated in this well bore.
BHST 160 deg F
BHP 2000 psi
10. **Anticipated Starting Date & Duration of Operation:**
Spud Date: Approximately June 16, 2001. Duration of this project will be approximately 40 days from start of Construction of drilling pad until finish of completion operations