

Application  
Harvey E. Yates Company  
Pearsall 6 Fed #1  
Section 6, T18S, R32E  
Lea 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 1,050', Yates 2,520', Seven Rivers 2,980', Bowers 3,460', Queen 3,720', Penrose 3,970', Grayburg 4,210', San Andres 4,690', Delaware 4,970', Bone Springs 6,386', BSPG 1<sup>st</sup> Sand 7,880', Top "B" Zone 8,140', 2<sup>nd</sup> Sand 8,530' C Zone 8,925', 3<sup>rd</sup> Sand 9,125', Wolfcamp 9,435', Penn Shale 10,710', Strawn 11,400', Atoka 11,700', Morrow 12,090', PTD 12,800.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**  
Oil: Bone Spring 1<sup>st</sup> sand @ 7,880  
Gas: Bone Spring 1<sup>st</sup> 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:**  
Two possible DSTs are planned.  
The planned logs are Schlumberger Platform Express with HALS
9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**  
No abnormal conditions are anticipated in this well bore.  
BHST 160 deg F  
BHP 3,000 psi
10. **Anticipated Starting Date & Duration of Operation:**  
Spud Date: Approximately October 1, 2001. Duration of this project will be approximately 60 days from start of Construction of drilling pad until finish of completion operations