

**YATES PETROLEUM CORPORATION**  
 Redbone "BP" Fed. #2  
 1980' FNL and 660' FEL  
 Sec. 10-T24S-R24E  
 County Eddy, State New Mexico

1. The estimated tops of geologic markers are as follows:

Delaware	2528'
Bone Spring	3980'
Wolfcamp	7658'
Strawn	9047'
Atoka	9472'
Morrow	10020'
TD	10500'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 300'  
 Oil or Gas: Wildcamp, Atoka, Morrow

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

**Auxiliary Equipment:**

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	54.5#	J55	8R	ST&C	0-300	300'
12 1/4"	8 5/8"	24#	J55	8R	ST&C	0-2400	2400'
12 1/4"	8 5/8"	24#	S80	8R	ST&C	2400-2600	200'
7 7/8"	5 1/2"	17#	N80	8R	LT&C	0-2100	2300'
7 7/8"	5 1/2"	17#	K55	8R	LT&C	2300-8300	6000'
7 7/8"	5 1/2"	17#	N80	8R	LT&C	8300-10500	2200'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80