

YATES FEDERAL C #5
660' FNL and 660' FWL of Sec. 31, T20S, R28E
Eddy County, New Mexico
Federal Lease No. NM-01119

1. The geologic name of the surface formation: Recent.

2. The estimated tops of important geologic markers:

Top Salado	150'
Yeso	600'
Seven Rivers	800
Queen	1200'
Grayburg	1350'
San Andres	1500'
Delaware	2500'
Bone Spring	4700'

3. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to occur:

Water -	150-600'
Oil - Delaware	2500'
Bone Spring	4700'

4. Proposed Casing Program

<u>String</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>	<u>Depth Interval</u>
Conductor	13 3/8"	54.5#/K-55	New or Used	0- 40'
Surface	8 5/8"	24.0#/K-55	New or Used	0- 600'
Production	5 1/2"	14.0#/K-55	New or Used	0-4700'
Tubing	2 7/8"	6.5#/J-55	New	0-4600'

5. Minimum specifications for pressure control equipment:

a. Wellhead Equipment - Screwed type 300 psi WP for 8 5/8" x 5 1/2" casing program and 2 7/8" tubing.

b. Blowout Preventers - Refer to attached drawings and lists of equipment titled "Type II-C" for description of BOP stack and choke manifold.

c. BOP control unit - Unit will hydraulically operated and have at least 2 control stations.

d. Testing - When installed on 8 5/8" surface casing the "Type II-C" BOP stack will be tested to a low pressure (200-300 psi) and to 2000 psi. Casing rams will be tested in like manner. An operational test of the blowout preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.