

**YATES PETROLEUM CORPORATION
BUFFALO VALLEY QL FEDERAL #1 SWD
1980' FSL AND 1980' FWL
Section 3,-T15S-R28E
Chaves County, New Mexico**

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

Yates	504'	Lower Canyon	7935'
San Andres	1960'	Strawn	8355'
Glorieta	3330'	Atoka	8793'
Abo	5450'	Austin Cycle	9046'
Wolfcamp Lime	6560'	Chester	9206'
Cisco	7460'	Devonian	10,300'
		TD	10,600'

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

Water: 250'-350'
Oil or Gas: Non anticipated, well to be for saltwater disposal purposes.

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: In Place.

<u>Hole Size</u>	<u>Casing</u>	<u>Size Wt./Ft</u>	<u>Grade</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	40#	H-40	0-396'	396' in place
12 1/4"	8 5/8"	24#	J-55	0-1948'	1948' in place
7 7/8"	5 1/2"	17# + 15.5#	N-80 – J-55	0-10,600'	10,600'

* 2 7/8" plastic coated liner with nickel plated pacher at 9300'.

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

B. CEMENTING PROGRAM:

Surface casing: Cemented with 400 sx, in place.

Intermediate Casing: Cemented with 1100 sx, in place.

Production Casing: Surface to TD Cement with 1000 sx Class H.