

YATES PETROLEUM CORPORATION

DIRECTIONAL DRILLING PARAMETERS

Concho ACT State Com. #1

Surface Location: Sec. 8 T17S-R27E, 1,650' N & 660' E

BH Location @ KOP: Sec. 8 T17S-R27E, 1,709' N & 695' E

Proposed BH Location @ TD: Sec. 8 T17S-R27E, 1,980' N & 660' E

FORMATION TOPS:	True Vertical Depth	Measured Depth
SAN ANDRES	Depth: 1288'	Depth: 1288'
GLORIETA	Depth: 2690'	Depth: 2690'
YESO	Depth: 2853'	Depth: 2853'
ABO	Depth: 4744'	Depth: 4745'
WOLFCAMP LIME	Depth: 5968'	Depth: 5969'
CANYON LIME	Depth: 7705'	Depth: 7718'
STRAWN LIME	Depth: 8126'	Depth: 8143'
ATOKA	Depth: 8508'	Depth: 8526'
MORROW CLASTICS	Depth: 8738'	Depth: 8757'
LOWER MORROW	Depth: 8765'	Depth: 8784'
CHESTER LIME	Depth: 9013'	Depth: 9032'
TD	Depth: 9150'	Depth: 9169'

HOLE SIZE	CASING SIZE, WT, GRADE	CEMENT
7 7/8"	5 1/2" 15.5# & 17#	500 SX TOC=5500'

The gyro survey and directional information is attached to this page. The plan is to set a cement plug from 6,000'-6,500'. The plug will be dressed off to 6,300' and the well will be kicked off. An S-shaped trajectory will be used. The bottom hole location should be 330' due south of the surface location. Angle will be built at 1 1/2 degrees/100' to 6,866' MD at an inclination of 8.8 degrees. At 7,919' the angle will be reduced by 1 1/2 degrees/100' and the wellbore will return to vertical position by the top of the Lower Morrow (8784' MD).