YATES PETROLEUM CORPORATION
Federal "LDY" Deep Com. #10
2100' FNL & 1980' FWL
Sec. 27-T17S-R25-E
Eddy County, New Mexico

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

San Andres	773'
Glorieta	2159'
Abo	4128'
Wolfcamp Line	5311'
Cisco	6376'
Lower Canyon	7303'
Strawn	7536'
Atoka	7931'
Morow Clastics	8178'
Lower Morrow	8278'
Chester Lime	8378'
TD	8500'

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

Water: Approx 200' - 300'
Oil or Gas: All Potential Zones

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)

Hole Size	Casing Size	Wt./Ft	Grade	Thread	Coupling	Interval	Length
17 1/2"	13 3/8"	48#	H-40	ST&C		0-400'	400'
12 1/4"	8 7/8"	24#	J-55	ST&C		0-1300'	1300'
7 7/8"	4 1/2"	11.6#	N-80	LT&C		0-8600'	8600'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8