

YATES PETROLEUM CORPORATION

Logan "ASO" Federal Com #2
1600' FNL and 1260' FEL
Section 15,-T17S-R27E
Eddy County, New Mexico

- The estimated tops of geologic markers are as follows:

San Andres	1570'	Morrow Clastics	9150'
Glorieta	2955'	Lower Morrow	9200'
Yeso	3130'	Austin Cycle	9370'
Tubb	4330'	Chester Lime	9415'
Lower Yeso	4570'	TD	9600'
Abo	5035'		
Wolfcamp Lime	6125'		
Upper Penn	7035'		
Strawn	8490'		
Atoka	8920'		

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

Water: 150'-200'
Oil or Gas: All potential zones.

- 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:

- 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.

- THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

11.00	74 25	11.35	42FF	1440	ST&C	450 FL.
	<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
	42 1/4"	8 5/8"	24#	J-55	ST&C	0-1650'
	7 7/8"	4 1/2"	11.6#	SP-110	LT&C	0-9600'

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