

**YATES PETROLEUM CORPORATION**  
**Humble Chalk Bluff ANA Federal Com #1**  
2055' FSL and 1980' FWL  
Sec. 5-T18S-R27E  
Eddy County, New Mexico

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

San Andres	1390'
Glorietta	2685'
Abo	4858'
Cisco	7090'
Canyon	7690'
Strawn	8530'
Morrow	9115'
TD	9500'

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

Water: 100-150' (Already cased off)  
Oil or Gas: 8530' & 9115'

3. Pressure Control Equipment: BOPE will be installed on the 5 1/2" casing and rated for 3M 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.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	8RD	ST&C	559'	In place
12 1/4"	8 5/8"	24#	J-55	8RD	ST&C	0-3013'	In place
7 7/8"	5 1/2"	14#, 15.5# 17#	-	8RD	LT&C	0-9500'	In place

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