

EXHIBIT "F"
DRILLING PROGNOSIS
YATES FEDERAL #1

LOCATION:

660' FSL & 2080' FWL, T19S,
R31E Lea County, New Mexico

PROPOSED DEPTH
AND OBJECTIVE:

3800' Yates & Seven Rivers
Test

CASING PROGRAM:

Surface: 8 5/8" 24# J-55 Set at
325' in an 11" hole (35)

12 1/4"

Production: 5 1/2" 15.00# J55
from surface to 3800'. Sufficient
cement will be used to bring the
top to 700 ft. from the bottom of
the hole.

LOGGING PROGRAM:

A compensated neutron/formation
density, with gamma ray, and
caliper. A dual induction
log will be run for
water saturation analysis. All
logs will be run from the
TD to the base of surface casing.

MUD LOGGING:

Samples will be taken every 10
feet from 2400 feet to TD.

MUD PROGRAM:

0 - 450'

12 1/4" (35)
Spud 11" hole with fresh water
containing gel and lime, if
necessary for hole cleaning. Mud
weight should be 8.5 - 8.7 lb/gal
with a viscosity of 33 - 35
sec/1000 cc.

450' - 3800'

Drill out below surface pipe using
7 7/8" bit with 10 lb/gal brine
for drilling the native salt
section. Lime will be added to
maintain a pH of 9.5 - 10.0.
Partial or total lost circulation
is expected in the top of the
Capitan Reef at \pm 2850 ft. If