Drilling Prognosis Yates Petroleum

This information is only approximate. Final form may vary

Hinkle ALD #3-H

Surface: Sec. 28 19S-25E 1980' FNL & 660' FEL Bottom Hole: 660' N & 760' E Eddy County, NM, 9,000' MD Canyon

Procedure:

YPC plans to re-enter this well which was drilled in 1997. The well is currently producing. The tubing and sub pump will be pulled from the well, and the perforations will be left open. A cast iron bridge plug will be set at +/-7,640'. A whipstock will then be set inside of the casing on top of the CIBP. A window will then be milled in the casing at 7,620', and the wellbore will be sidetracked out of the 7" casing. A 4 ¾" bit will be used for the horizontal lateral. A build rate of 60 deg/100' will be used until a final inclination of 90 degrees is reached. This should occur at 7,770' MD, 7,715' TVD. From this point the 90 degree angle will be maintained and a lateral approximately 1,220' long will be drilled. The end of the lateral will be 9,000' MD, 7,715' TVD.

Geological Program

Expected Tops:

SAN ANDRES	Depth: 714
GLORIETA	Depth: 2276
YESO	Depth: 2338
BONE SPRING LST	Depth: 3830
THIRD SAND	Depth: 5940
WOLFCAMP LST	Depth: 6134
CANYON LST	Depth: 7620
CANYON DOLOMITE	Depth: 7665
TD	Depth: 7715' TVD, 9,000'

MD

Drilling Program

Hole Size		Casing Program		
Size	Depth To	Size	Weight	Depth
14.75"	1145'	9.625"	36#J-55	1145'
8.75"	8150'	7"	23#, 26#	8150'
4.75"	9,000' MD	OPEN HOLE		
NOTE: The 9 625	" and 7" casing string	rs are set and cer	nented in place	

NOTE: The 9.625" and 7" casing strings are set and cemented in place.

Mud Program

Dept	th	Type	Weight
From 0'	To TD	FW Vis: 28-32	8.4-8.6

Directions to Location

GO SOUTH OF ARTESIA APPROXIMATELY 13 MILES ON HWY 285. TURN WEST ON ROCK N R RED ROAD FOR APPROXIMATELY 5.3 MILE SOUTH ON LEASE ROAD FOR 1.4 MILES. TURN EAST 1/4 MILE, NEW ROAD STARTS HERE.