

**YATES PETROLEUM CORPORATION**  
Lowe Staple "AMR" Federal Com. #2 (Re-Entry)  
1650' FSL and 2310' FWL Surface Location  
660' FSL and 660' FWL Bottom Hole Location  
Section 22-T21S-R24E  
Eddy County, New Mexico

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

Grayburg	353'
San Andres	803'
Glorieta	2477'
1 <sup>st</sup> Bone Spring	3542'
Wolf Camp	6933'
Cisco Canyon	7602'
Strawn	8357'
Atoka	8952'
Morrow	9320'
Lower Morrow	9510'
TD	9900'

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

Water: Casing in Place  
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:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	In Place	361'
12 1/4"	9 5/8"	36#	J-55	In Place	3163'
8 3/4"	7"	23# & 26#	J-55	9899'	9899'
4 3/4"	Open Hole	-----	-----	9590' MD	9590' MD

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

**B. CEMENTING PROGRAM:**

All casing strings are set and cemented in place.