

YATES PETROLEUM CORPORATION
Amaranth "AMG" Federal Com #1
1310' FNL and 2630' FEL Surface Location
1980' FNL and 1980' FWL at Strawn depth
2421' FNL and 1512' FWL at BHL
Section 12-T20S-R30E
Eddy County, New Mexico
DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Rustler Anhydrite	300'
Salado	600'
Tansill	1,515'
Yates	1,640'
Delaware	4,185'
Bone Spring	6,645'
KOP	8,050'
3rd BS Sandstone TVD	9,465'
MD	9,500'
Wolfcamp lime TVD	10,072'
MD	10,150'
Upper Strawn Marker TVD	10,970'
MD	11,125'
Strawn TVD	11,035'
MD	11,200'
Atoka lime TVD	11,495'
MD	11,700'
Morrow Clastics TVD	11,945'
MD	12,185'
Lower Morrow TVD	12,270'
MD	12,550'
Austin Cycle TVD	12,450'
MD	12,730'
PTVD TD	12,600'
MD TD	12,900'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water:	Approximately 350'
Gas:	All potential zones

3. PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

A. The Blow-Out Preventor will be equipped as follows:

1. One (1) blind ram
2. One (1) pipe ram
3. Kill line (3-inch minimum)
4. One (1) kill line valve (3-inch minimum)
5. One (1) choke line valve
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available
8. Safety valves & subs to fill all drill strings in use
9. 3-inch (minimum) choke line
10. Fill-up line above the upper most preventor