

YATES PETROLEUM CORPORATION

Yerba AMY Fed Com #1
1650' FNL and 1980' FWL
Sec. 14-T21S-R24E
Eddy County, New Mexico

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

San Andres	1178'
Glorieta	2855'
Bone Spring	3810'
Wolfcamp	7626'
Canyon	8409'
Lower Strawn	9081'
Atoka	9431'
Morrow	9896'
TD	10350'

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

Water: 300'
Oil or Gas: Bone Springs, Wolfcamp, Strawn, Atoka, Morrow

3. Pressure Control Equipment: BOPE will be installed on the 9 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: (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	54.5#	J55	8R	ST&C	0-350	350'
12 1/4	9 5/8"	36#	J55	8R	ST&C	0-2700	2700'
8 3/4	7"	23#	N80	8R	LT&C	0-6300	6300'
8 3/4"	7"	23#	S95	8R	LT&C	6300-9900	3600'
8 3/4"	7"	26#	S95	8R	LT&C	9900-10350	450'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80