

**YATES PETROLEUM CORPORATION**  
**Amaranth "AMG" Federal Com #2**  
**1310' FNL and 2266' FEL Surface Location**  
**1980' FSL and 660' FEL at BHL**  
**Section 12-T20S-R30E**  
**Eddy County, New Mexico**

**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:** BOPE will be installed on the 13 3/8" 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.