

YATES PETROLEUM CORPORATION
Tracy AXW State #2
Drilling Prognosis
Page 2

Yates Petroleum Corporation proposes to drill vertically to 2,530 feet, pick up directional tools, drill directional "S"-curve to new bottom hole location 3,200' due southwest of the surface location, return to vertical drilling at 10,090 TVD and drill vertically to 12,000' TVD.

MUD PROGRAM: 0-600'; Freshwater, WT 8.6-8.9, VIS 30-36, WL N/C.

600'-2700'; Freshwater/LCM Sweeps, WT 8.4-8.9,
VIS 28, WL N/C.

2700'-8900'; Cut Brine, WT 8.6-8.9, VIS 28; WL N/C.

8900'-10100'; Cut Brine/Starch, WT 9.0-9.8, VIS 28, WL N/C.

10100'-12000'; Salt Gel/Starch/Drispac, WT 9.6-10.2, VIS 32-37,
WL <12.

BOPE PROGRAM: 5000 psi BOPE will be installed on the 8 5/8" casing and tested daily for operational.