

**Preliminary Drilling Program**

**Yates Petroleum**

**Lowe Staple AMR Federal Com. #2**

**Section 22 T21S-R24E, Surface: 237' N & 937' W, BHL: 660' N & W  
Eddy County, NM, 10,050' TVD, 10,110' MD Morrow/Canyon Test**

**Procedure:**

YPC plans to drill this well vertically to a depth of 5,415' with the hole sizes and casing program listed below. At 5,415' a gyro survey will be run to determine exact bottom hole location. The directional plan will be adjusted based on that data. The well will then be kicked off with a build rate of 2.5 deg/100' until a final inclination of 15 degrees is reached. This angle will be held to a depth of approximately 7,340' TVD, at which point a drop rate of 2.5 degrees/100' will be used to return the well to vertical. The well will be returned to vertical by 7,905' (Canyon Top), and the remainder of the well will be drilled vertically to the TVD of 10,050' (approximately 10,110' MD).