

Drilling Prognosis
Yates Petroleum Corporation
Walt Canyon AMA Federal Com. #8
214' FNL and 1561' FEL Surface Location
660' FNL and 1980' FEL Bottom Hole Location
Eddy County, New Mexico

Procedure:

Yates Petroleum Corporation plans to drill this well vertically to a depth of 5068' with the hole sizes and casing program included in the APD. At 5068' a gyro survey will be run to determine the exact bottom hole location. The directional plan will then 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 7391' 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 7995' TVD (top of Canyon), and the remainder of the well will be drilled vertically to the TVD of 10,500' approximately 10,574' MD.