

YATES PETROLEUM CORPORATION

Tyler AVC State #1

Drilling Prognosis

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Well was drilled by Union Oil Company of California as the Dark Canyon State #1. Yates Petroleum Corporation plans to re-enter with a pulling unit, drill out plugs to the 9 5/8" casing stub at 2700', run 9 5/8" 40 lb/ft casing, splice and cement casing with approximately 500 sacks of class C to bring cement into 13 3/8" surface casing which is set at 1059'. We'll then drill out splice, pressure test casing, drill out remaining plugs to 5 1/2" stub at 8005', run 5 1/2" 15.5 and 17#/ft N-80 casing, splice and cement with approximately 500 sacks of class H. Plugs inside the 5 1/2" casing will then be drilled out to the float collar at approximately 10,880'. OTD is 11,640' and 5 1/2" casing is set at 10,923'. The Morrow and possibly shallower zones will be tested for production. KCI water and gelled cut brine will be used for re-entry fluids.

BOPE PROGRAM: 3000 # BOPE will be installed on the 9 5/8 casing and tested daily..