

YATES PETROLEUM CORPORATION

Ed Wood "ASE" Federal #1

330' FNL and 660' FWL

Sec. 12-T24S-R23E

Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	1140'
Delaware	1413'
Bone Springs	1960'
Wolfcamp	7370'
Canyon	8606'
Strawn	9014'
Atoka	9500'
Morrow	10,340'
TD	10,850'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	150'-250'
Oil or Gas:	8606'-10,850'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" 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.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8	48#	H40		In Place	282'
11"	8 5/8"	24#	J55		In Place	2530'
7 7/8"	5 1/2"	17#	L80	LT&C	0'-1900'	1900'
7 7/8"	5 1/2"	17#	J55	LT&C	1900'-3000'	1100'
7 7/8"	5 1/2"	15.5#	J55	LT&C	3000'-6300'	3300'
7 7/8"	5 1/2"	17#	J55	LT&C	6300'-8100'	1800'
7 7/8"	5 1/2"	17#	N80	LT&C	8100'-10,850'	2750'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8