

YATES PETROLEUM CORPORATION
Adeline ALN Federal #10
1980' FSL & 1830' FEL
Sec. 6-T24S-R31E
Eddy County, New Mexico

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

Rustler	487'
Top of Salt	878'
Base of Salt	3952'
Bell Canyon	4161'
Cherry Canyon	5152'
Brushy Canyon	6831'
Bone Spring Lime	8032'
TD	8200'

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

Water: 150'
Oil or Gas: Canyon 5152' and Bone Spring 8032''

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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: (All New)

<u>Hole Size</u>	<u>Casing</u>	<u>Size Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
WITNESS 11 1/2"	13 3/8"	54.50#	J55	ST&C	0-500' 150'	500'
11"	8 5/8"*	32#	J55	ST&C	0-4200'	4200'
7 7/8"	5 1/2"	15.5# & 17#	J55	LT&C	0-8200'	8200'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80