Grid Iron BLI Federal Com #1 Section /-T12S-R27E Chaves County, New Mexico JUL -9 2008 OCD-ARTESIA

Yates Petroleum Corporation – Equipment Design Plan Closed Loop System

Closed Loop System will consist of:

- 1 double panel shale shaker
- 1- (minimum ) Centrifuge, certain wells and flow rates may require 2 centrifuges On certain wells, the Centrifuge will be replaced by a Clackco Settling Tank System
- 1 minimum centrifugal pump to transfer fluids
- 2-500 bbl. FW Tanks
- 1 500 bbl. BW Tank
- 1 half round frac tank 250 bbl. capacity as necessary to catch cement / excess mud returns generated during a cement job.
- 1 Set of rail cars / catch bins

Certain wells will use an ASC Auger Tank

All equipment will inspected at least hourly by rig personnel and daily by contractors personnel.

Any spills / leaks will be reported to YPC, NMOCD, and cleaned up without delay.