

**YATES PETROLEUM CORPORATION**  
Orient Express "ARS" Federal Com. #1  
760' FSL & 1880' FWL  
Sec. 5-T17S-R28-E  
Eddy County, New Mexico

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

San Andres	1913'
Glorietta	3266'
ABO	5381'
Wolfcamp Lime	6517'
Lower Canyon	8323'
Strawn	8798'
Atoka	9285'
Morrow Clastics	9608'
Lower Morrow	9648'
Chester Lime	9920'
TD	10050'

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

Water: Approx 150' - 300'  
Oil or Gas: All Potential Zones

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: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4"	11 3/4"	42#	H-40		ST&C	0-400'	400'
11"	8 5/8"	24#	J-55		ST&C	0-2000'	2000'
7 7/8"	5 1/2"	17#	L-80		LT&C	0-400'	400'
7 7/8"	5 1/2"	17#	J-55		LT&C	400-1500'	1100'
7 7/8"	5 1/2"	<del>17#</del> 15.5#	J-55		LT&C	1500-6000'	4500'
7 7/8"	5 1/2"	17#	J-55		LT&C	6000-7900'	1900'
7 7/8"	5 1/2"	17#	N-80		LT&C	7900-9200'	1300'
7 7/8"	5 1/2"	17#	HCP-110		LT&C	9200-10050'	950'

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