

YATES PETROLEUM CORPORATION

Tracy AXW State #1

Drilling Prognosis

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Yates Petroleum Corporation proposes to drill vertically to 3,500 feet, pick up directional tools, drill directional "S"-curve to new bottom hole location 2310' due south of the surface location, return to vertical drilling at 10,000' and drill vertically to 12,400' MD.

MUD PROGRAM: 0-600'; Freshwater, WT 8.6-8.9, VIS 30-36, WL N/C.

600'-2700'; Freshwater/LCM Sweeps, WT 8.4-8.9,
VIS 28, WL N/C.

2700'-8900'; Cut Brine, WT 8.6-8.9, VIS 28; WL N/C.

8900'-10100'; Cut Brine/Starch, WT 9.0-9.8, VIS 28, WL N/C.

10100'-12400'; Salt Gel/Starch/Drispac, WT 9.6-10.2, VIS 32-37,
WL <12.

BOPE PROGRAM: 5000 psi BOPE will be installed on the 8 5/8" casing and tested daily for operational.