YATES PETROLEUM CORPORATION

Dwight "AZI" State Com #2 Re-entry 1980' FSL & 1980' FWL Section 15-T9S-R32E Lea County, New Mexico Lease #VA-2165

DRILLING PLANS: Yates Petroleum Corporation plans to re-enter this well bore using a pulling unit and a reverse unit to drill out the cement plugs in the 13 3/8" casing and the 12 $\frac{1}{4}$ " open hole to the top of the 8 5/8" casing stub at 402'. The 8 5/8" casing will be repaired and tied back to surface and the cement will be circulated. After the 8 5/8" casing has been repaired the cement plugs in the 8 5/8" casing and the 7 7/8" open hole will be drilled out to the original TD of 11,360'. After a new suite of open hole logs have been run, a production string of 5 $\frac{1}{2}$ " casing will be ran to TD and cemented back to approximately 6000'. The mud program to be used is 9.2-9.5 ppg brine water with a 55-70 cp viscosity. A 5000# BOPE will be installed on the 8 5/8" casing.

The well will be completed using a pulling unit. The well will be completed and tested in an Atoka sand zone in the interval from 10,400' to 10,600'. The zone to be perforated will be determined after the new open hole logs have been evaluated.