

**YATES PETROLEUM CORPORATION**  
**Sam Boren "AUZ" Federal #1 (Re-entry)**  
**1980' FNL and 660' FWL**  
**Section 35-T9S-R34E**  
**Lea County, New Mexico**

Yates Petroleum Corporation plans to re-enter this well that was originally drilled by Sam Boren as the Murphy Federal #1 and was plugged and abandoned May 25, 1970. Yates will use a pulling unit and reverse unit to drill out the cement plugs in the 11 3/4" casing and in the top of the 8 5/8" casing at 1450', then tie back the 8 5/8" casing to the surface. After casing has been repaired and the cement plug in the bottom of the 8 5/8" casing at 4015' has been drilled out, a drilling rig will be moved on the well and the drilling rig will drill out the cement plugs in the 7 7/8" open hole and will deepen the well from 9860' to 13000'. After reaching TD a new suite of open hole logs will be run. Then a production string of 5 1/2" casing will be ran to TD and cemented.

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

Yates	2750'	Cisco	9915'
San Andres	4060'	Atoka	11370'
Glorietta	5465'	Chester	12030'
Tubb	6920'	Woodford	12880'
Abo	7720'	Devonian	12880'
Wolfcamp	8990'	Total Depth	13000'

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

Water:	250'
Oil or Gas:	11370' to 12200'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 5000# 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>Interval</u>	<u>Length</u>
17 1/2"	11 3/4"	40#	H-40	ST&C	0-416'	1100' In Place.
9 7/8"	8 5/8"	24#	J-55	ST&C	0-1450'	1450'
9 7/8"	8 5/8"	24#	J-55	ST&C	1450'-1795'	345' In Place.
9 7/8"	8 5/8"	32#	J-55	ST&C	1795'-4015'	2220' In Place.