

YATES DRILLING COMPANY
CACTUS QUEEN UNIT #15
1330' FNL and 2200' FWL
Sec. 34-T12S-R31E
County Chaves, New Mexico

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

Anhydrite	1372'
Salt Top	1492'
Salt Base	2082'
Yates	2192'
Seven Rivers	2332'
Queen	2952'
TD	3100'

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

Water: 150 - 300'
 Oil or Gas: Queen

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2M 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.

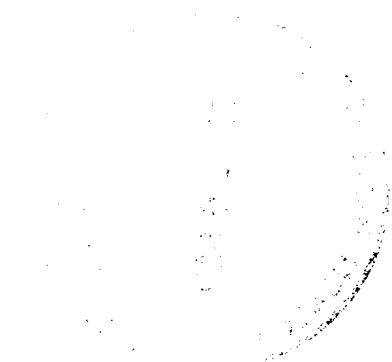
Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, 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>Length</u>
12 1/4"	8 5/8"	24#	J-55 or K-55	400'
7 7/8"	5 1/2"	17#	J-55 or K-55	3100'



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