

YATES PETROLEUM CORPORATION
Vest Ranch "RE" Federal #2
330' FNL and 1650' FWL
Sec. 21-T14S-R30E
Chaves County, New Mexico

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

Salt	577'
Base Salt	1257'
Yates	1347'
Seven Rivers	1502'
Queen	2097'
Glorieta	4160'
Tubb	5520'
Abo	6230'
Wolfcamp	7610'
Penn	8180'
TD	8500'

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

Water: Approximately 300' +/-
Oil or Gas: 7630' and 8200'

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 Si00</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	J-55	8RD	ST&C	0-350	350'
12 1/4"	8 5/8"	32#	J-55	8RD	ST&C	0-2900	2900'
7 7/8"	5 1/2"	17#	J-55		BUTT	0-800'	800'
7 7/8"	5 1/2"	15.5#	J-55	8RD	LT&C	800-6900'	6100'
7 7/8"	5 1/2"	17#	J-55	8RD	LT&C	6900'-8500'	1600'

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