

YATES PETROLEUM CORPORATION
Limbaugh "AYO" State #1
1980' FNL and 660' FWL
Section 12-T12S-R34E
Lea County, New Mexico
Lease Number V-5855

Drilling Information: Yates Petroleum Corporation plans to re-enter this well that was originally drilled by Neville G. Penrose and P&A on 3/29/57. Yates will re-enter this well using a pulling unit and a reverse unit to drill out the cement plugs in the 9 5/8" and those in the 8 3/4" open hole using a 7 7/8" bit to the original TD of 13,018'. A new suite of open hole logs will be run. If deemed to be commercial, a production string of 5 1/2" casing will be ran to TD & cemented to 6,000+-. The mud program will be 9.2-9.5 ppg brine water with a 55-70 cp viscosity. A 5000# BOPE will be installed on the 9 5/8" casing.

The well will be completed using a pulling unit. After the 5 1/2" casing has been cemented and cased hole logs have been run, the well will be completed and tested in the Austin Cycle limestone zone in the interval from 12,100' to 12,200'. The zone to be perforated will be determined after the new open hole logs have been evaluated.