

YATES PETROLEUM CORPORATION

TROY "AWY" STATE #1

780' FNL and 660' FWL

Section 32-T13S-R34E

Lea County, New Mexico

DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Yates	2,635'		
San Andres	4,225'	Strawn	11,450'
Glorietta	5,775'	Atoka	12,265'
Tubb	7,195'	Morrow Lime	12,755'
Abo	7,970'	Austin	13,150'
Wolfcamp	9,470'	Mississippian Lime	13,475'
		TD	13,575'

2. PRESSURE CONTROL EQUIPMENT

A 5000 PSI BOPE System will be nipped up on the 8 5/8" casing and tested daily for Operational. See the attached 5000 PSI schematic.

3. THE PROPOSED CASING PROGRAM

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Interval
14 3/4"	11 3/4"	42#	H-40	ST&C	0-400'
11"	8 5/8"	32#	J-55	ST&C	0-46 4300'
7 7/8"	5 1/2"	17# & 20#	L-80, J-55, N-80, S-95, P-110	LT&C	0-13575'

4. Cementing Program:

Surface Casing - Set with approximately 400 class C + 2% CaCl₂ (YLD 1.32 WT 15.6).

Intermediate Casing-Set with approximately 1200 sx Lite (YLD 2.01 WT 12.0). Tail in with 200 sx Class C (YLD 1.32 WT 15.6). Circulated.

Production Casing-Set with approximately 850 sx Super C Modified (YLD 1.67 WT 13.0). Top of cement approximately 7,300'.

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The above cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole gauge and will be determined by running a caliper log on the drilled hole.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. MUD PROGRAM - Visual Monitoring

Interval	Mud Type	Weight	Viscosity	Fluid Loss
0 - 400'	FW Gel	8.6-9.2	28-34	No Control
400'-4300'	Cut Brine going to Brine	9.1-10.4	28-32	No Control
4300'-7900'	Cut Brine	9.0-9.8	28	No Control
7900'-12200'	Brine/S. Gel/Diesel	9.8-10	34-40	No Control
12200'-TD	Salt Gel/Starch	9.8-10	35-42	<12

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. EVALUATION PROGRAM

Logs: LDT/CNL; HALS GR; BHC SONIC TD to 4,300'; GR/Neutron to surface.

DST's: As Warranted.

Cores: Possible sidewall over Morrow & Mississippian.

The evaluation program may change at the discretion of the well site geologist.

7. ABNORMAL CONDITIONS

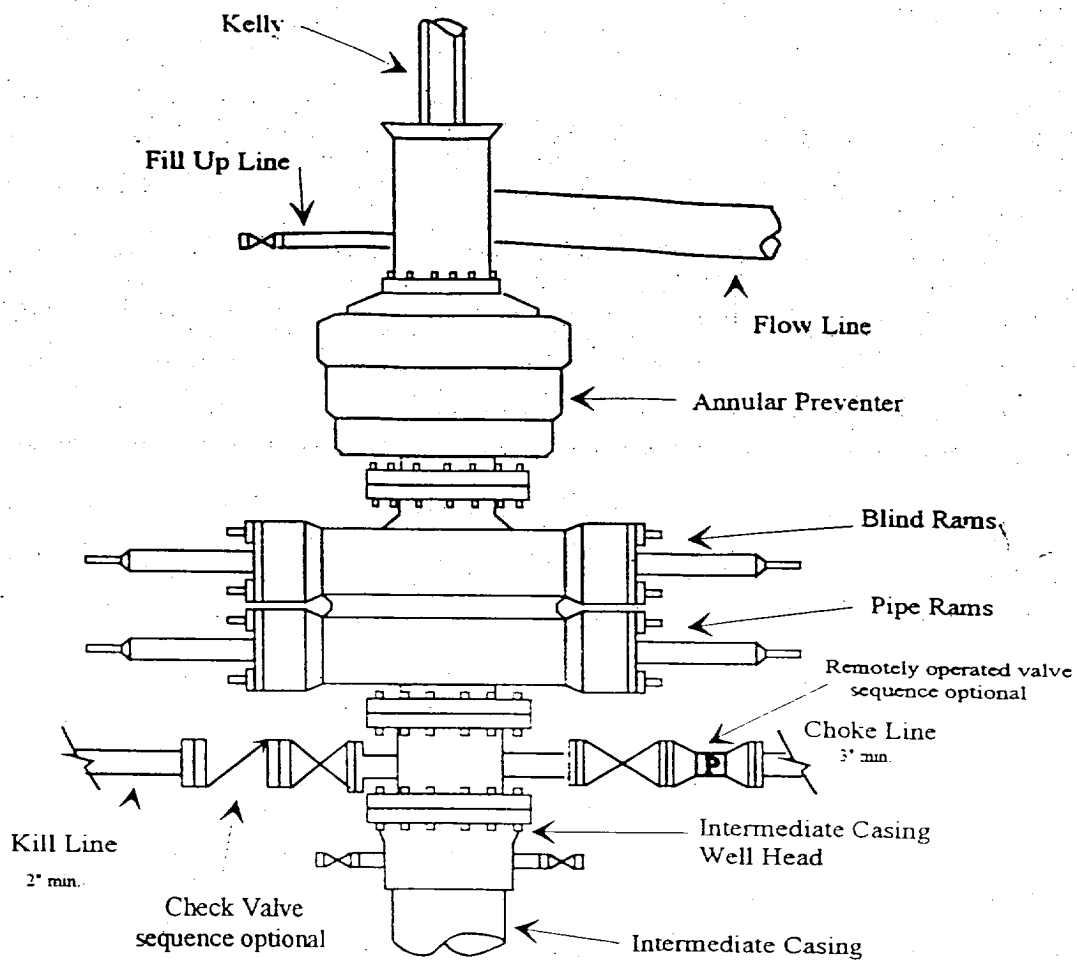
No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

