

YATES PETROLEUM CORPORATION

Wings AUT State #1

Drilling Prognosis

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Well was drilled by Union Oil Company as the State "17" #1 well. Yates Petroleum Corporation's plan is to re-enter the well with a pulling unit and reverse unit to drill out the cement plugs in the 11 3/4" casing and 11" open hole To 1,203'. Tie back the 8 5/8" casing and cement 8 5/8" casing. Drill the cement out of splice and all plugs down to the 8 5/8" shoe. Rig a drilling rig drill out 8 5/8" shoe plug and all cement plugs in the 7 7/8" open as well as drill 2,700' of new hole. The hole will be conditioned and a new suite of open hole logs will be run then a string of 5 1/2" casing will be run to TD. The well will be completed with a pulling unit. Possible formation to be completed will be the Morrow at 12,700' +/-.

BOPE PROGRAM: 5000 # BOPE will be installed on the 8 5/8 casing and tested daily..