YATES PETROLEUM CORPORATION

Big Bear "ATN" #1 Re-entry 1980' FSL & 1120' FEL Section 29-T15S-R35E Lea County, New Mexico Fee Lease

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore using a drilling rig to drill out the cement plugs in the 9 5/9" casing which was set at 4695' and cemented with 1600 sacks. The casing shoe will be tested and the open hole plugs will be drilled out to the plug at 13,155' with an 8 5/8" bit. No open hole logs will be ran. Yates will run 5 $\frac{1}{2}$ " production casing to TD and will be cemented with approximately 1500 sacks of cement to bring the cement top up into the 9 5/8" casing (estimated TOC at 4000'). The mud program to be used will be 9.4 -10.2 ppg salt gel system with a 34-40 viscosities and approximately 12 water loss. A 5000# BOPE will be installed on the 9 5/8" casing.

The well will be completed using a pulling unit. The Atoka and Wolfcamp formations will be the main target.