

PROPOSED DRILLING PROGRAM

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1300' of surface casing will be set and cement circulated. Approximately 5800' of intermediate casing will be set and cement circulated. Approximately 11,300' of 2nd string intermediate casing will be set and cemented with adequate cover. If commercial, a production liner will be run from 10,800' to TD, cemented to tie back to the 7" casing, perforated and stimulated as needed for production.

MUD PROGRAM: Spud to 1300' with FW Gel, Paper; 1300' to 5800' with Brine; 5800' to 8400' with Cut Brine; 8400' to 11,300' with Drispac, and 11,300' to TD with Drispac, XCD Polymer.

BOPE PROGRAM: 5000# system nipped up on 9 5/8" casing; 10,000# system nipped up on the 7" casing.