

YATES PETROLEUM CORPORATION

Jackal "ANJ" Federal #2
2310' FNL and 330' FWL
Sec. 4-T23S-R33E
Lea County, State New Mexico

1. The estimated tops of geologic markers are as follows:

Rustler	1300'
Base of Salt	4800'
Bell Canyon	5080'
Ramsey Sand	5150'
Ford Shale	5230'
Olds Shale	5240'
TD	5400'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 2500 - 750'
Oil or Gas: 5150' and 5240'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J55	8R	ST&C	0-1350'	1350'
7 7/8"	5 1/2"	15.5#	J55	8R	LT&C	0-5400'	5400'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

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