

YATES PETROLEUM CORPORATION
HARACZ AMO FEDERAL #7
1650' FNL and 2310' FEL
Sec. 19-T24S-R32E
Lea County, New Mexico

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

Rustler	677'
Top Salt	1218'
Base Salt	4158'
Delaware	4600'
Cherry Canyon	5600'
Brushy Canyon	7334'
Bone Spring	8550'
Avalon Sand	8625'
1st Bone Spring Sand	9240'
TD	10,000'

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

Water: 150'
Oil or Gas: 4600', 7334' 8550' and 9240'

3. Pressure Control Equipment: BOPE will be nipped up on the 8 5/8" casing and rated for 3M 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, 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 SI00</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	54.50	J55	8R	ST&C	0-700'	700'
11"	8 5/8"	32#	J55	8R	ST&C	0-4000'	4000'
11"	8 5/8"	32#	S80	8R	LT&C	4000-4275'	275'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	0-1800'	1800'
7 7/8"	5 1/2"	15.50#	J55	8R	LT&C	1800-8500'	6700'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	8500-10,000'	1500'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80