

YATES PETROLEUM CORPORATION
Dean "APQ" Federal Com #1
 2310' FSL and 2310' FEL
 Sec. 3-T.26S-R.34E
 Lea County, New Mexico

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

Rustler	950'
Salt	1070'
Base of Salt	5096'
Delaware	5380'
Bone Spring	9550'
3rd Bone Spring	12400'
TD	12700'

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

Water: 200' - 300'
 Oil or Gas: 12,400'

3. Pressure Control Equipment: BOPE will be installed on the 11 3/4" 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, 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>
14 3/4"	11 3/4"	42#	H40	8R	ST&C	0-1000'	1000'
11"	8 5/8"	32#	J55	8R	ST&C	0-4150'	4150'
7 7/8" 11"	8 5/8"	32#	HC80	8R	ST&C	4150'-5200'	1050'
7 7/8"	5 1/2"	17#	N80	8R	LT&C	0-3500'	3500'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	3500'-8500'	5000'
7 7/8"	5 1/2"	17#	N80	8R	LT&C	8500'-11800'	3300'
7 7/8"	5 1/2"	17#	S95	8R	LT&C	11800'-12700'	900'

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