

30-025-41260

HOBBS OCD

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION**

JUL 09 2013

Amazing BAZ Federal #5
330' FSL and 460' FWL
Section 30, T22S-R32E
Lea County, New Mexico**RECEIVED**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 38 miles west and north of Jal, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

From downtown Carlsbad, NM, go east on Highway 62/180 for approximately 30 miles to Campbell Road. Turn right on Campbell Road and go approximately 14 miles to a lease road on the east side of the road. Turn left here and go approximately 2.3 miles turn left here on an existing lease road and go approximately .2 of a mile. The new access road will start here going west along the north side of a pipeline for 204.2' to the southeast corner of the Amazing BAZ Federal #5 well location.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will go west for 204.2' feet length from the point of origin to the southeast corner of the drilling pad.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides if needed. Traffic turnouts will be built if needed.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time. Production will be taken to the Amazing BAZ Federal #3H tank battery. The flowline will follow the existing access roads for approximately .7 of a mile. The proposed power line will go east for approx. 204.2' to a tie in spot. Please note attached plats.
- B. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power until an electric line can be built, if needed. Power should not be required if the well is productive of gas.

JUL 15 2013

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be collected in tanks until hauled to an approved disposal system.
- B. A closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the "Pit Rule" 19.15.17 NMAC.
- C. Drilling fluids will be removed after drilling and completions are finalized.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the closed loop design plan, the location of the drilling equipment, orientation and access road approach.
- B.
- C. The closed loop system will be constructed, maintained, and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division – the "Pit Rule" 19.15.17 NMAC. Form C-144 is attached – Exhibit E.
- D. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. If the proposed well is plugged and abandoned, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible.

SURFACE OWNERSHIP: Surface managed by the Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

Minerals: Federal-Lease NM-90
Administered by: Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220-6292

12. OTHER INFORMATION:

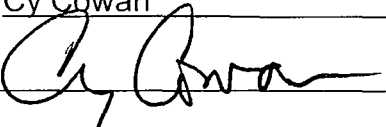
- A. The primary use of the surface is for grazing.
- B. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.

CERTIFICATION
YATES PETROLEUM CORPORATION
Amazing BAZ Federal #5

I hereby certify that I or the company I represent, have inspected the drill site and access route proposed herein; that the company I represent is familiar with the conditions which currently exist; that full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that the company I represent is responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 26th day of May, 2011

Printed Name Cy Cowan

Signature 

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

Telephone 575-748-4372

E-mail (optional) cy@yatespetroleum.com

Field Representative (if not above signatory) Tim Bussell

Address (if different from above) Same

Telephone (if different from above) 575-748-4221

E-mail (optional) _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM-90
2. Name of Operator Yates Petroleum Corporation 025575	6. If Indian, Allottee or Tribe Name
3a. Address 105 South Fourth Street, Artesia, NM 88210	7. If Unit or CA/Agreement, Name and/o
3b. Phone No. (include area code) (505) 748-1471	8. Well Name and No. Amazing BAZ Federal #5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 460' FWL, Unit Letter M, Surface Hole Location Section 29, T22S-R32E	9. API Well No. 30-025-38465 JW 8/14
	10. Field and Pool, or Exploratory Area Livingston Ridge, Delaware, SE
	11. County or Parish, State Lea County, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Surface Use Plan.
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

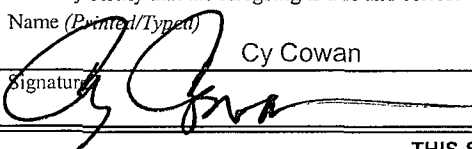
Yates Petroleum Corporation wishes to amend the Surface Use Plan for the captioned to include the construction of a 320' x 320' x 11' freshwater reservoir to be used for fracing operations for the Amazing BAZ Federal wells and other possible future wells in the area.

The frac pond will be located in the SW/SW/4 of Section 29.

On the west side of the frac pond will be a 12' wide road with in the buffer with ramps and a turn around for the water trucks after unloading.

Please note attached plats

Thank you.

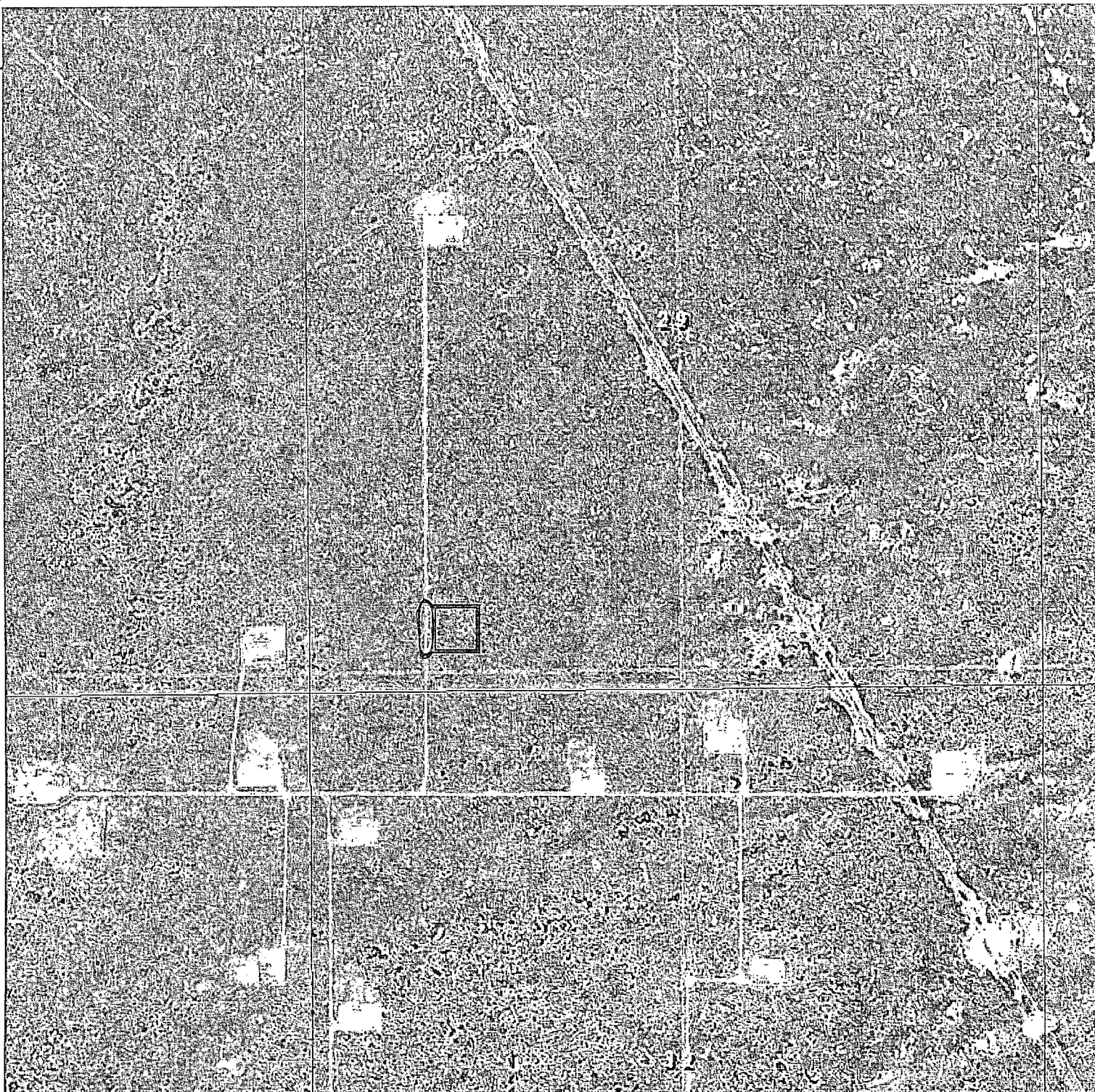
14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cy Cowan	Title Land Regulatory Agent
Signature 	Date August 5, 2011

THIS SPACE FOR FEDERAL OR STATE USE

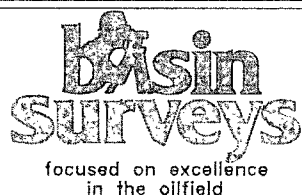
Approved by /s/George MacDonell	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office CARLSBAD FIELD OFFICE	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



PROPOSED FRAC TRACT
Section 29, Township 22 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 24909

Survey Date: 07-25-2011

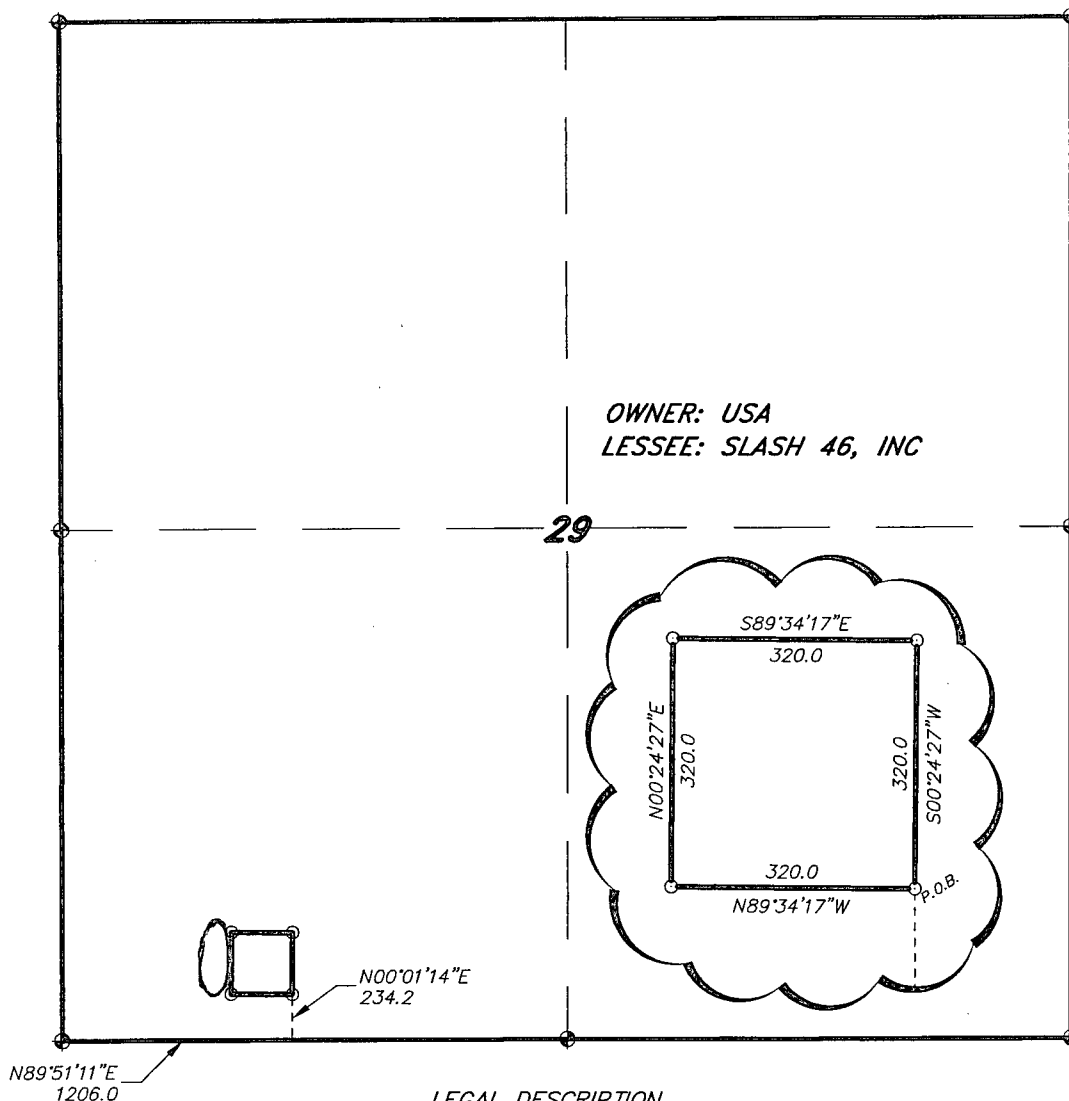
Scale: 1" = 1000'

Date: 07-30-2011



YATES
PETROLEUM
CORP.

SECTION 29, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

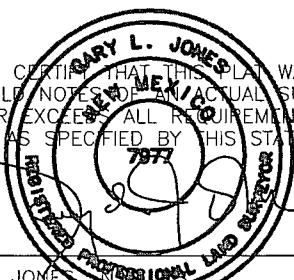


LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 29, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH LIES N.89°51'11\"E., 1206.0 FEET AND N.00°01'14\"E., 234.2 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 29; THENCE N.89°34'17\"W., 320.0 FEET; THENCE N.00°24'27\"E., 320.0 FEET; THENCE S.89°34'17\"E., 320.0 FEET; THENCE S.00°24'27\"W., 320.0 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND BEING 2.35 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES
TEXAS P.L.S. No. 7977
No. 5074

1000 0 1000 2000 FEET

YATES PETROLEUM CORP.

REF: PROPOSED FRAC TRACT

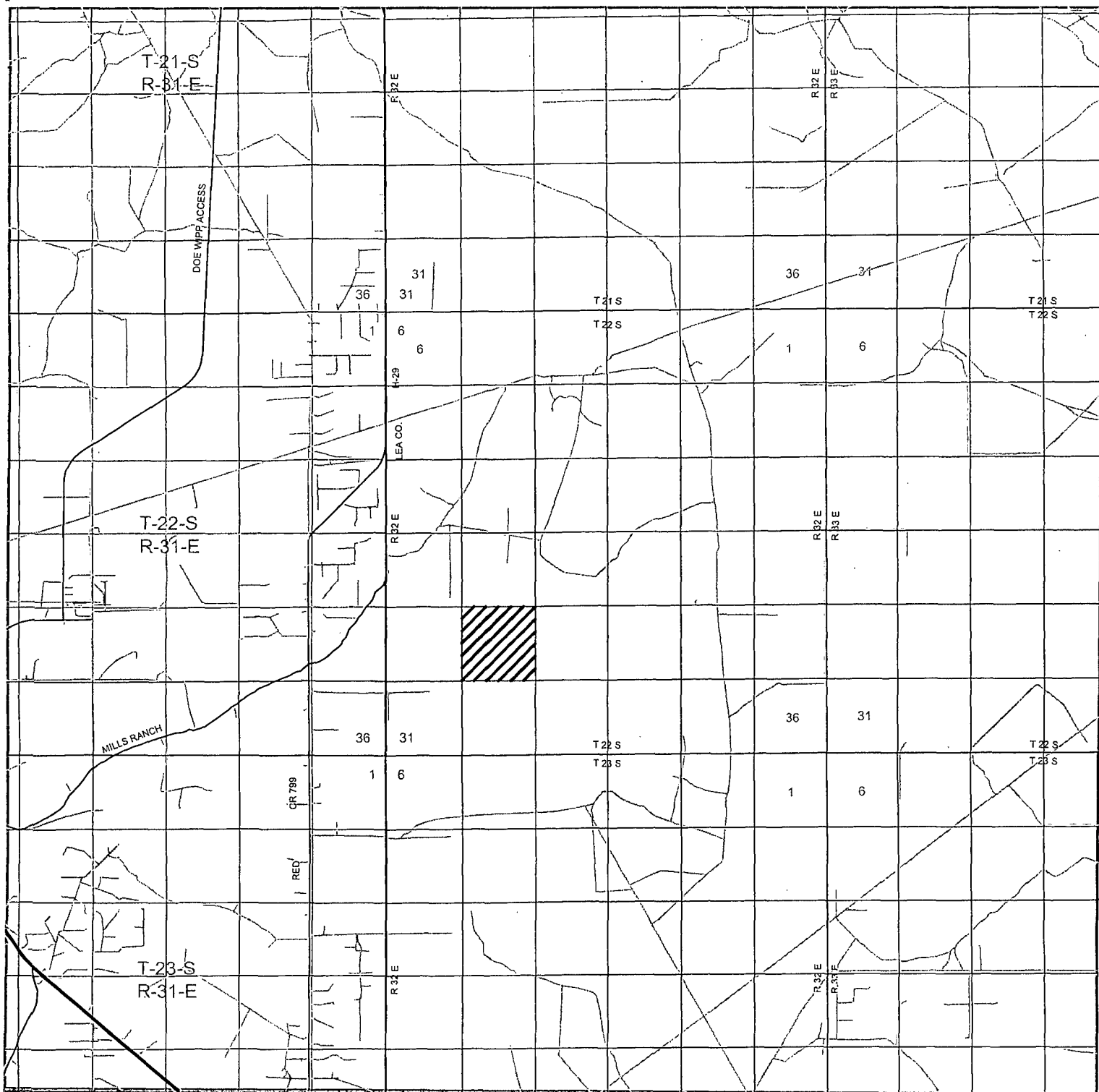
A FRAC TRACT LOCATED ON USA LAND IN
SECTION 29, TOWNSHIP 22 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 24909 Drawn By: J. M. SMALL

Date: 07-30-2011 Disk: 24909

Survey Date: 07-25-2011 Sheet 1 of 1 Sheets



AMAZING "BAZ" FEDERAL #5
 Located 330' FSL and 460' FWL
 Section 29, Township 22 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 24894

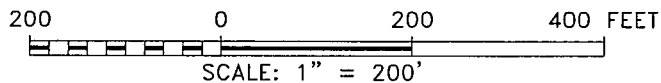
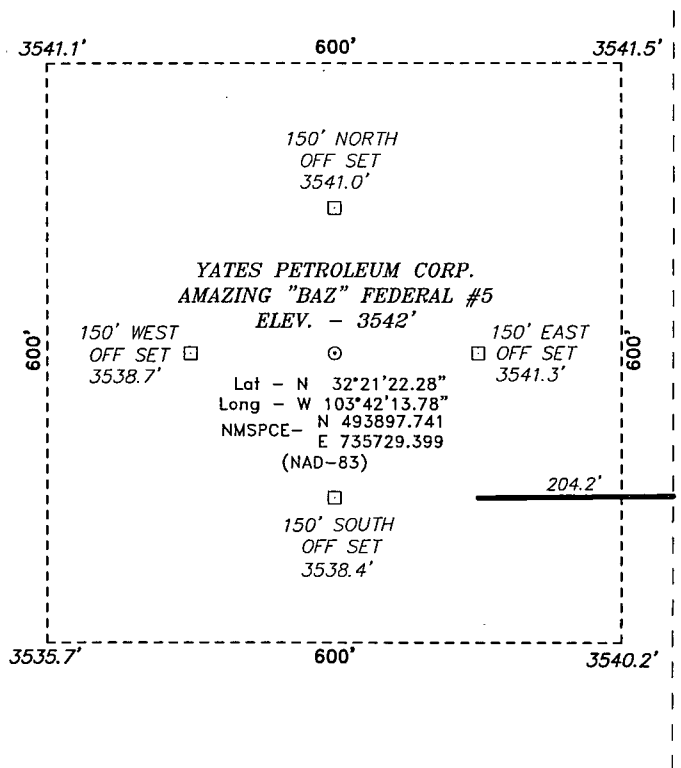
Survey Date: 07-23-2011

Scale: 1" = 2 Miles

Date: 07-30-2011

YATES
PETROLEUM
CORP.

SECTION 29, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



YATES PETROLEUM CORP.

REF: AMAZING "BAZ" FEDERAL #5 / WELL PAD TOPO

THE AMAZING "BAZ" FEDERAL #5 LOCATED 330'
FROM THE NORTH LINE AND 460' FROM THE WEST LINE OF
SECTION 29, TOWNSHIP 22 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 24894 Drawn By: J. SMALL

Date: 07-30-2011 Disk: JMS 24894

Survey Date: 07-23-2011

Sheet 1 of 1 Sheets

62/180

Campbell RD

HWY 108

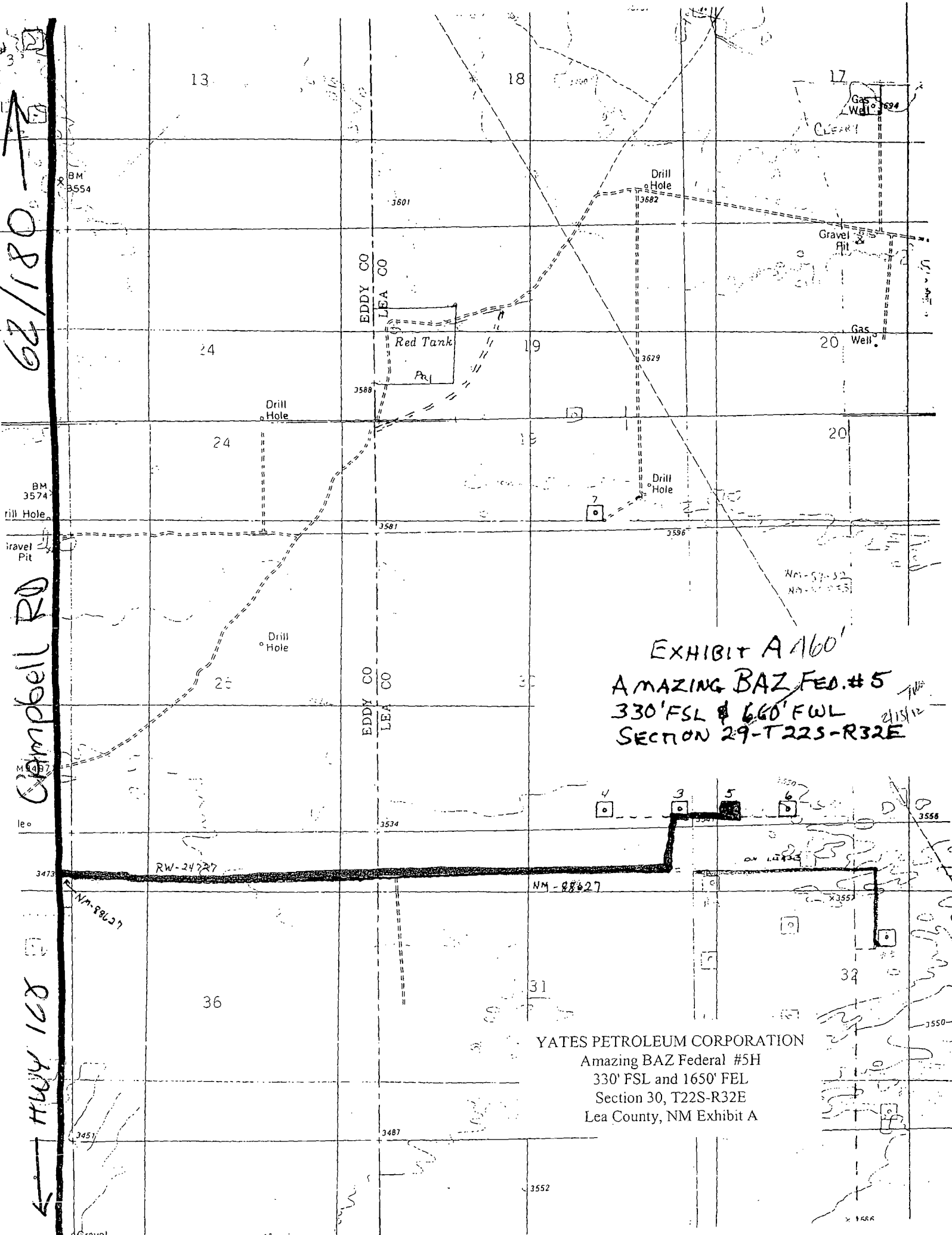
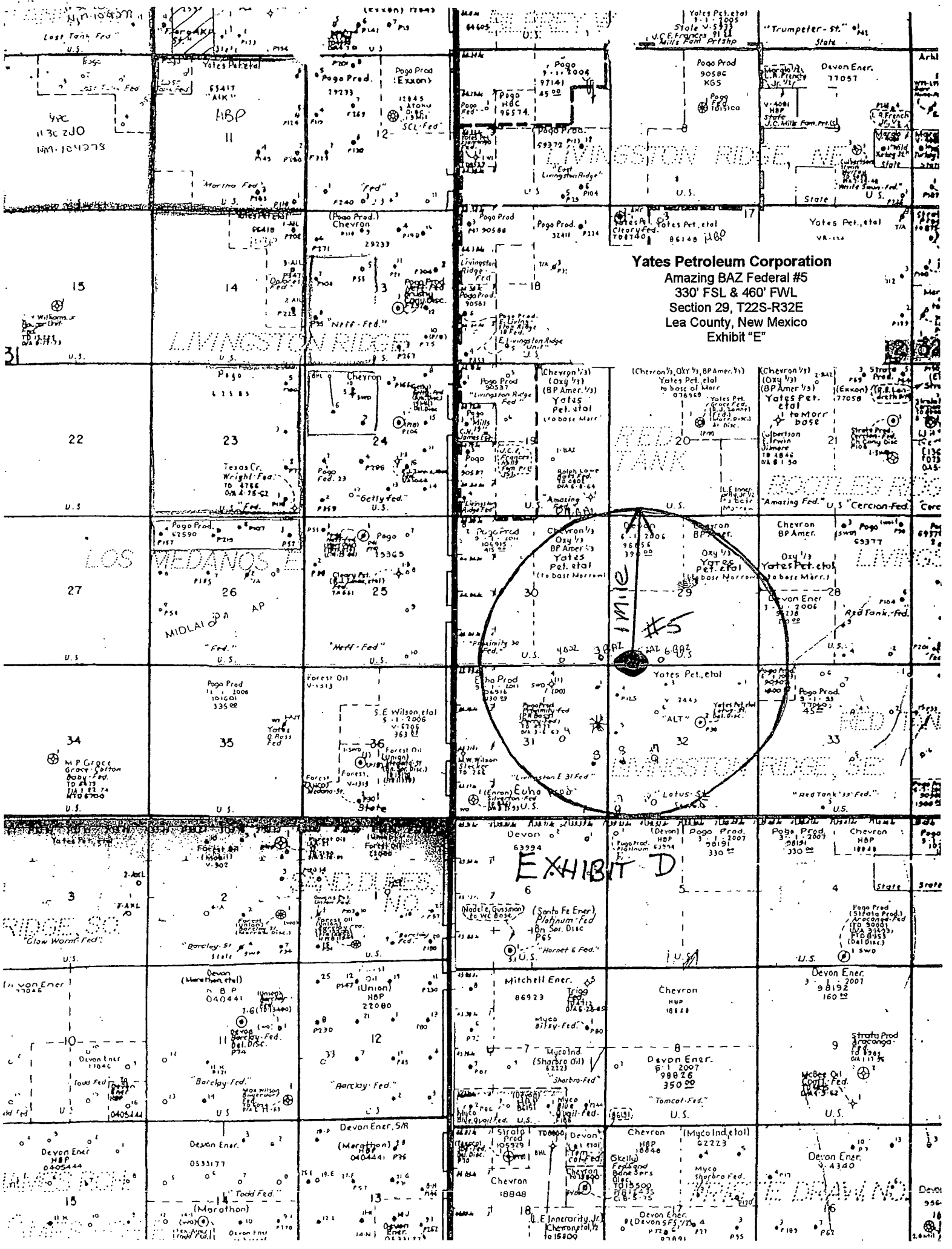


EXHIBIT A 160'
AMAZING BAZ FED. #5
330' FSL & 1650' FWL
SECTION 29-T22S-R32E

YATES PETROLEUM CORPORATION
Amazing BAZ Federal #5H
330' FSL and 1650' FEL
Section 30, T22S-R32E
Lea County, NM Exhibit A



Yates Petroleum Corporation
Amazing BAZ Federal #5
330' FSL & 460' FWL
Section 29, T22S-R32E
Lea County, New Mexico
Exhibit "E"

EXHIBIT D

LIVINGSTON RIDGE, SE

