

HOBBS OCD

JUL 09 2013

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MULTI-POINT SURFACE USE AND OPERATIONS PLAN

YATES PETROLEUM CORPORATION

Amazing BAZ Federal #6H

330' FSL and 1650' FWL, Surface Hole

2310' FNL and 1980' FWL, Bottom Hole

Section 30, T22S-R32E

Lea County, New Mexico

30.025-41266

WF

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 east along the north side of a pipeline for 654' to the southwest corner of the Amazing BAZ Federal #6H well location.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will go east for 654' feet length from the point of origin to the southwest 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 .9 of a mile. The proposed power line will go east for approx. .2 of a mile 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.

To BLM
B 10/4/11

JUL 18 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 #6

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

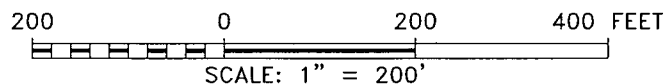
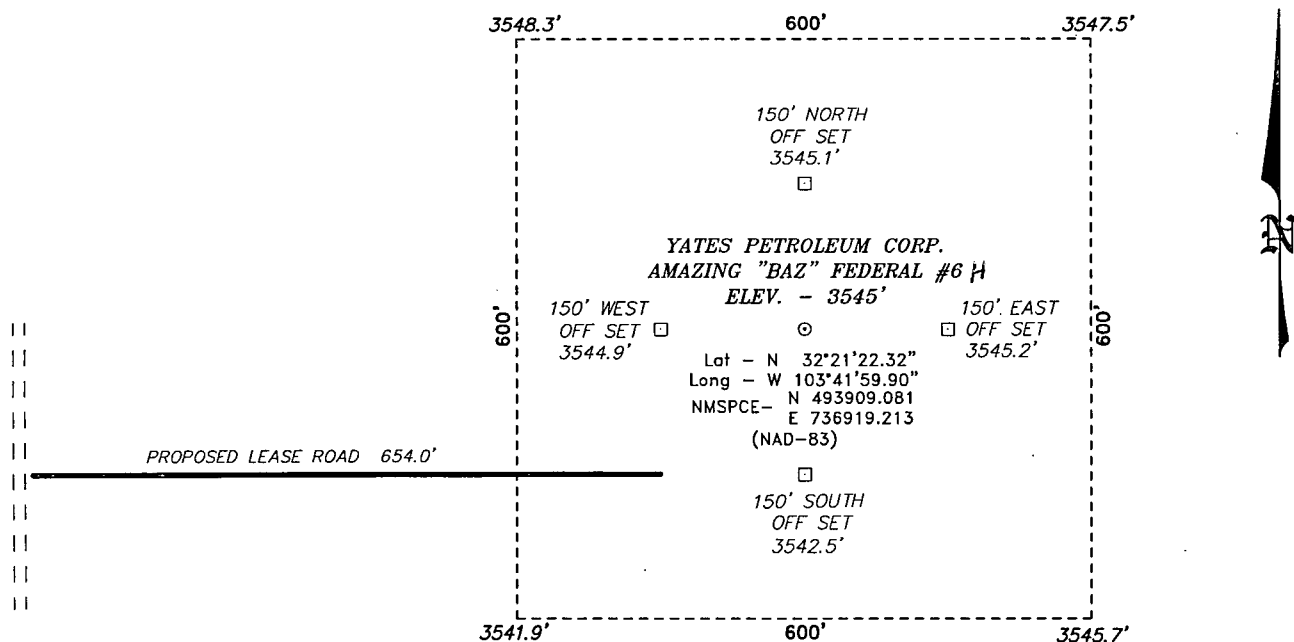
Field Representative (if not above signatory) Tim Bussell

Address (if different from above) Same

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

E-mail (optional) _____

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



YATES PETROLEUM CORP.

REF: AMAZING "BAZ" FEDERAL #6th/ WELL PAD TOPO

THE AMAZING "BAZ" FEDERAL #6th LOCATED 330'
FROM THE SOUTH LINE AND 1650' FROM THE EAST 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: 24896 Drawn By: J. SMALL

Date: 07-30-2011 Disk: JMS 24896

Survey Date: 07-23-2011 Sheet 1 of 1 Sheets

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



Yates Petroleum Corporation
Amazing BAZ Federal #6H
330' FSL & 1650' FWL-SHL
2310' FSL & 1980' FWL-BHL
Section 29, T22S-R32E
Lea County, New Mexico
Exhibit "A"

