

30-025-28242

HOBS OCD

AUG 07 2013

RECEIVED

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Jackson SWD #1
660' FNL and 660' FWL
Section 26, T24S-R32E
Lea County, New Mexico

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 well site is located approximately 39 miles east of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad to the intersection of State Road 31 and Highway 128. Go east of Highway 128 for approximately 22.4 miles which will be approximately .6 of a mile past the intersection of Orla Road and Highway 128. Turn right here at a lease road with a cattleguard and a gate. Go south on the lease road for approx. .7 of a mile. Turn left here and go approx. 300 feet turn right here and continue on lease road to the southeast for approx. .4 of a mile. Turn right here and go approx. 300 feet then turn right again. Continue following the lease road to the southeast for approx. .4 of a mile. Just before getting to a metal watering tank turn right on an old access road and go approx. 300 feet to the southeast corner of the SWD well location.

2. PLANNED ACCESS ROAD:

- A. The proposed new access road is in place and will be up graded for new traffic. The access road will be approximately 1.6 miles in length from the point of origin to the southeast corner of the reentry pad.
- B. The existing road will be left in present condition as much as possible.
- C. Traffic turnouts may be 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 well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are not any injection facilities on this lease at the present time. Injection facilities are needed for this well they will be placed on the location as determined by Yates' Production Department. Placement has not been determined at this time.
- B. N/A This proposed reentry is for a saltwater disposal well.

AUG 13 2013

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to reenter 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:

The dirt contractor will acquire any materials from the closest source at the time of construction of the well pad.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. All tanks holding fluid will be above ground and portable..
- B. N/A. 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.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. N/A. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. 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 B shows the relative location and dimensions of the well pad, pulling unit orientation and access road approach. The proposed well location will be approximately 200' x 200'. The entire location will be constructed within the 600' x. 600' staked area.
- B. N/A. 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.

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. At the time interim remediation is proposed Yates will furnish the BLM with a Sundry Notice detailing the remediation plans.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well reentry is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible.

11. SURFACE OWNERSHIP:

Surface Estate: Managed by the Bureau of Land Management, 620 East
Greene Street, Carlsbad, NM 88201

Mineral Estate: Bureau of Land Management, 620 East Greene Street,
Carlsbad, NM 88201

12. OTHER INFORMATION:

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

CERTIFICATION
YATES PETROLEUM CORPORATION
Sooner BPS Federal #2H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have 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 I, or the company I represent, am 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 28th day of March, 2012.

Printed Name Cy Cowan

Signature 

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

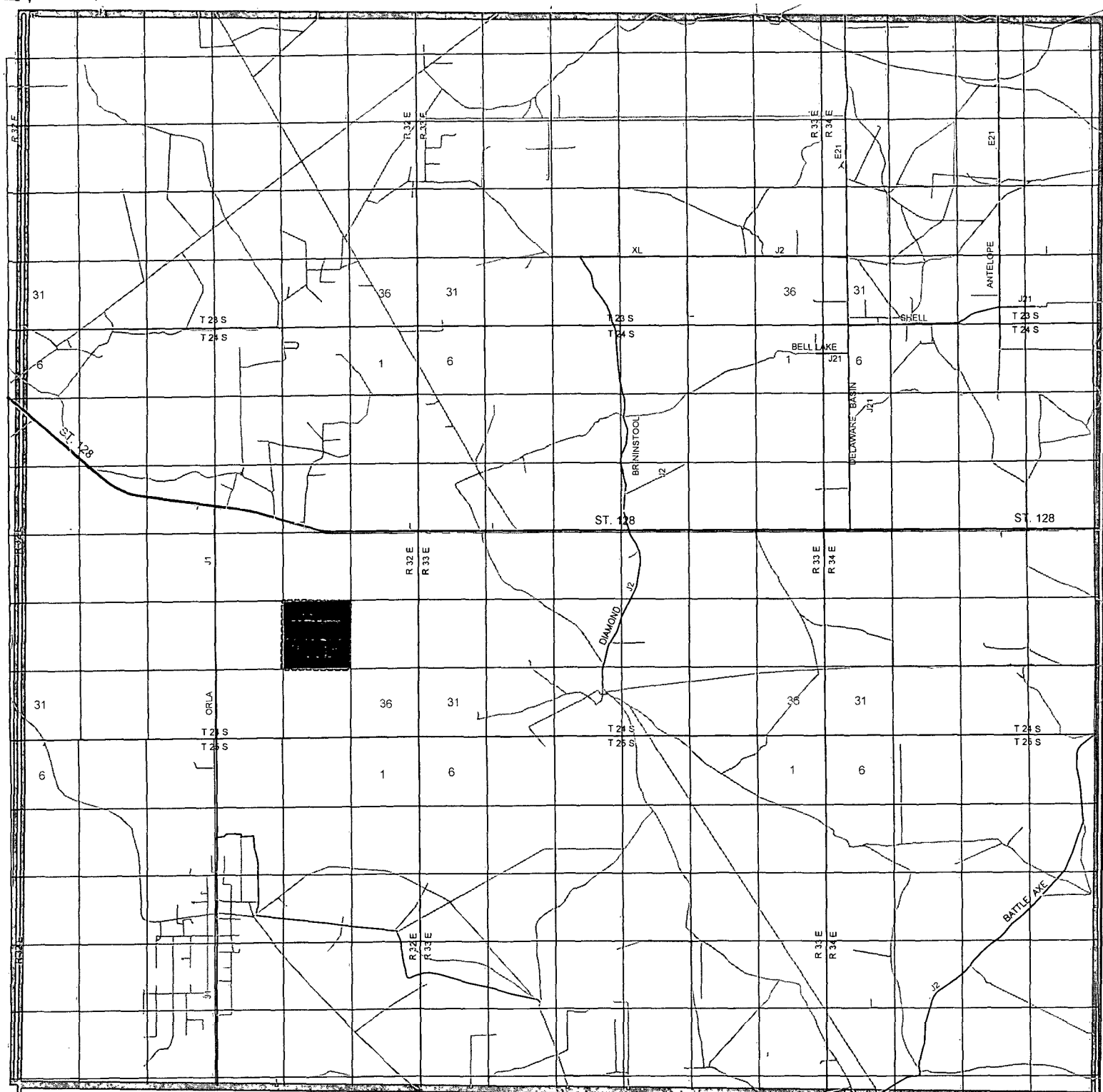
Telephone 575-748-4372

E-mail (optional) cy@yatespetroleum.com

Field Representative (if not above signatory) Mike Allen

Address (if different from above) Same

Telephone (if different from above) 575-748-4218



JACKSON FEDERAL SWD #1
 Located 660' FNL and 660' FWL
 Section 26, Township 24 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

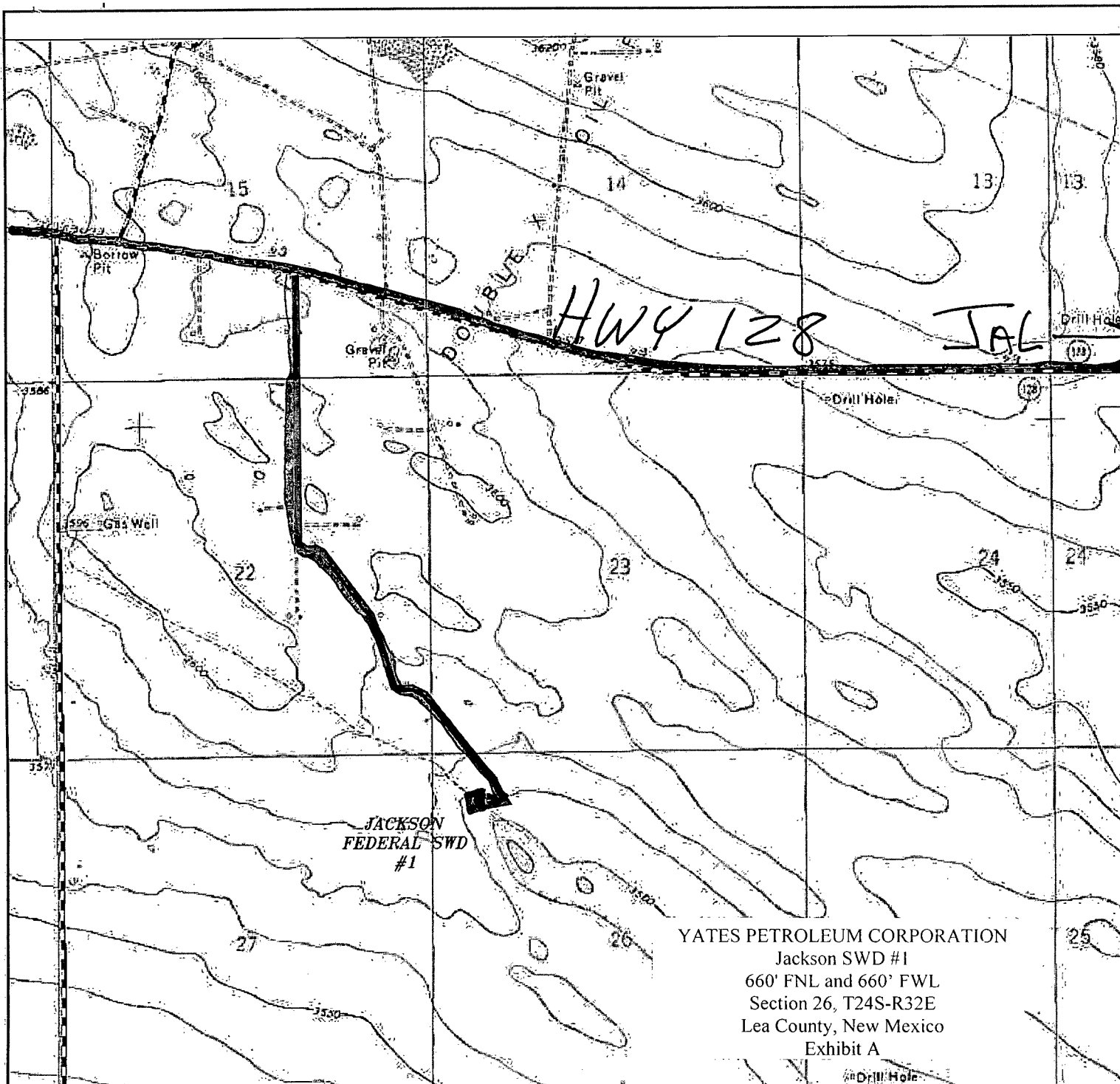
W.O. Number: JG 26060

Survey Date: 2-9-2012

Scale: 1" = 2 Miles

Date: 2-10-2012

YATES
PETROLEUM
CORP.



YATES PETROLEUM CORPORATION
 Jackson SWD #1
 660' FNL and 660' FWL
 Section 26, T24S-R32E
 Lea County, New Mexico
 Exhibit A

JACKSON FEDERAL SWD #1
 Located 660' FNL and 660' FWL
 Section 26, Township 24 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: JG 26060

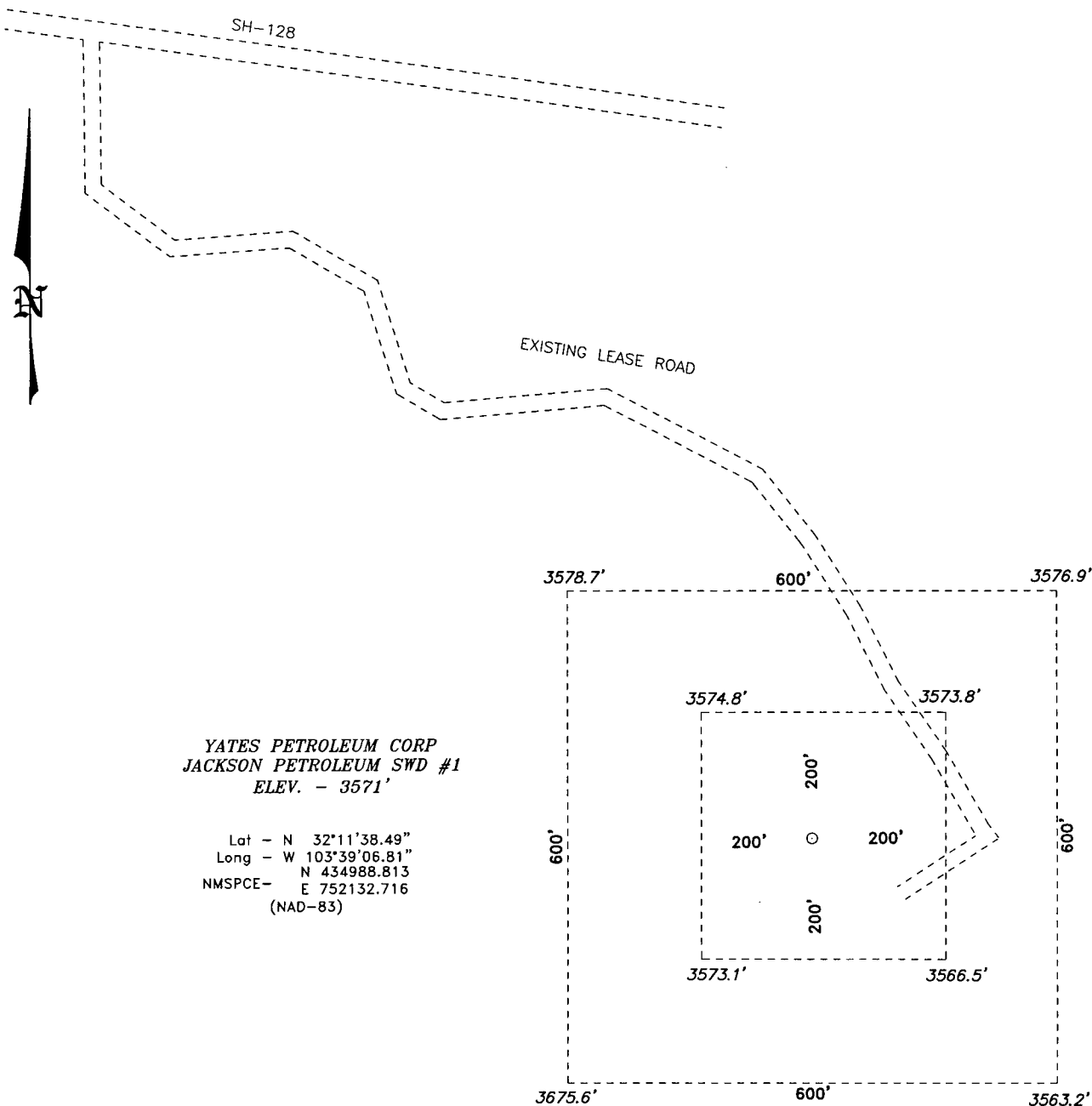
Survey Date: 2-9-2012

Scale: 1" = 2000'

Date: 2-10-2012

YATES
PETROLEUM
CORP.

SECTION 26, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



200 0 200 400 FEET
SCALE: 1" = 200'

YATES PETROLEUM CORP.

REF: JACKSON FEDERAL SWD #1

THE JACKSON FEDERAL SWD #1 LOCATED 660'
FROM THE NORTH LINE AND 660' FROM THE WEST LINE OF
SECTION 26, TOWNSHIP 24 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 26060 Drawn By: J. GOAD

Date: 2-10-2012 Disk: JG - 26060WELL

Survey Date: 2-09-2012

Sheet 1 of 1 Sheets

