

## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

## YATES PETROLEUM CORPORATION

Amazing BAZ Federal #7

330' FSL and 1650' FEL

Section 19, T22S-R32E

Lea County, New Mexico

HOEBS OCD

AUG 08 2013

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, at the light at the intersection of 285 & 62/180. Going on Highway 180 go approximately 2 miles to US Refinery Road. Turn right and go approximately 12 miles to Potash Mine Road (131). Turn left and go approximately 2.3 miles to 128 (Jal Hwy). Turn right and go approximately 17 miles to Red Road. Turn left on Red Road and go approximately 7 miles to Mills Ranch Road. Turn right and go approximately 2.7 miles. Turn right on old lease road and go approximately 1 mile. The new road will start here and go southwest to the southeast corner of the pad.

## 2. PLANNED ACCESS ROAD:

- A. The proposed new access will go west approximately 750 feet length from the point of origin to the southwest corner of the drilling pad. The first 1 mile of existing road will have to be upgraded to a good lease road.
- 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 if warranted.
- 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 from this well will be sent via flowline to the Amazing BAZ Federal #1 Tank Battery located in the NW/SE/4 of Section 19. Please note attached plat showing this route.
- 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.

AUG 16 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. Form C-144 attached – Exhibit E.
- 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 – C1 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  
(Approximately 4.5 acres)
- B. 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.
- C. 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: Federal

Minerals: USA-Federal-NM-82902  
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. This well is on Federal Surface leased to the Mills Family Partnership.
- B. Refer to the archaeological report for a description of the topography, flora, fauna, soil Characteristics, dwellings, and historical and cultural sites.

YATES PETROLEUM CORPORATION

Amazing BAZ Federal #1

Section 19, T22S-R32E

Lea County, New Mexico

Plans for Interim and Final Surface Reclamation.

1. Well location will be contoured to resemble the original topography as closely as possible. Surface reclamation measures will be taken to avoid new erosion on the well location and the area surrounding the well location. These measures will be overseen by Yates' personnel following a structured plan for the reclamation of each individual site.
2. Major drainage systems will be avoided as determined at the onsite with the BLM. Minor drainages may be rerouted around the well site within the 600' x 600' cleared area to avoid moving the well location.
3. Segregation of topsoil or like soils will be placed in low lift rows rather than in a stockpile just off the caliche well pad. Placement of these lift rows will be determined at the BLM onsite or at the time of construction by Yates Personnel.
4. Yates will use prudent oil field practices when constructing well locations and related facilities. Yates personnel will determine the size of the well location needed for safe working conditions for personnel during all aspects on the drilling and production process.
5. Back fill requirements for above ground reserve pits will be met by using cut, fill, and contouring of available top soil and like soils from the pit area. Should additional material be needed it will be brought in from a BLM approved source.
6. All topsoil will be spread over the area reclaimed during interim reclamation using a front end loader. For final reclamation enough topsoil will be evenly distributed between the interim reclaimed area and the final reclaimed area. This method of soil stabilization should help maintain the productivity and viability of the topsoil.
7. Soil treatments will be determined at the time of final reclamation by Yates' Environmental Specialist or other designated personnel to meet BLM final reclamation goals.
8. Reseeding of disturbed areas will be accordance with the seed mixtures attached to the approved APD as Conditions of Approval. Planting and soil preparation will be done during the rainy season between June 1st and September 1st.
9. Yates' personnel will control weeds during the productive period through final abandonment of the well. Yates may also use the option to hire a third party to be in charge of weed control or participate in the Chaves Soil and Water District program to pool monies for weed control.
10. Well pads, roads and related facilities with caliche or other surfacing material will be picked up or turned over at the time of final abandonment. These materials may be used on other projects in the area if possible or placed back in the caliche pit or other designated site. Buried pipelines will be left in place after being bled down and purged. Above surface support equipment will be removed or cut down below plow depth and removed. Pipeline right-of-ways will be reseeded according to BLM Best Management Practices.

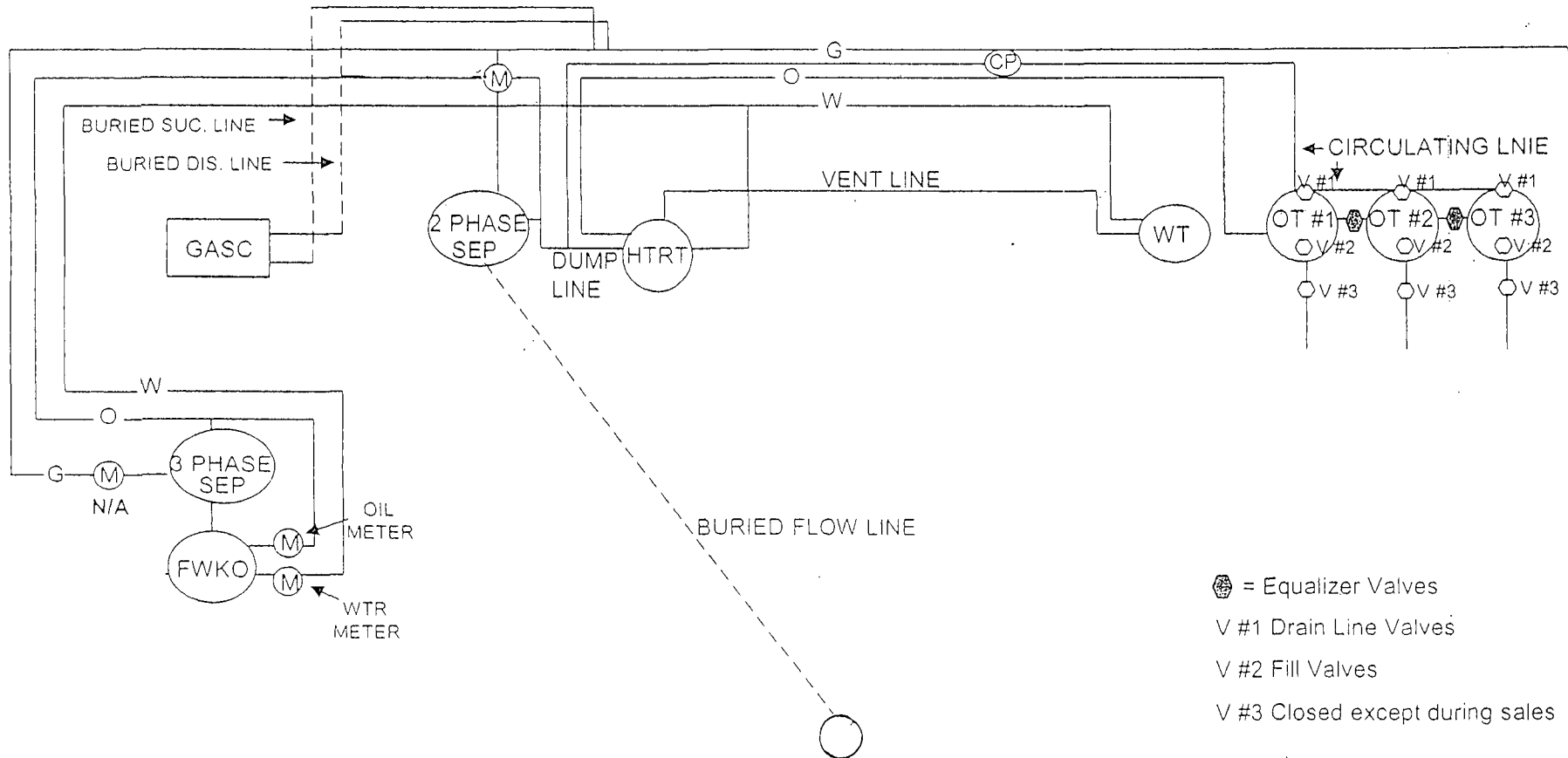
Amazing BAZ Federal #7  
Section 19, T22S-R32E  
Lea County, New Mexico  
Exhibit "E"



105 South 4<sup>th</sup> Street • Artesia, NM 88210  
(575)-748-1471

-Danny Matthews  
June, 2010

Amazing BAZ Federal #7  
Section 19, T22S-R32E  
Lea County, New Mexico  
Exhibit "F"



⊗ = Equalizer Valves  
V #1 Drain Line Valves  
V #2 Fill Valves  
V #3 Closed except during sales

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan  
which is on file at 105 South 4th Street, Artesia, NM

CERTIFICATION  
YATES PETROLEUM CORPORATION  
**Amazing BAZ Federal #7**

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 15th day of April, 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

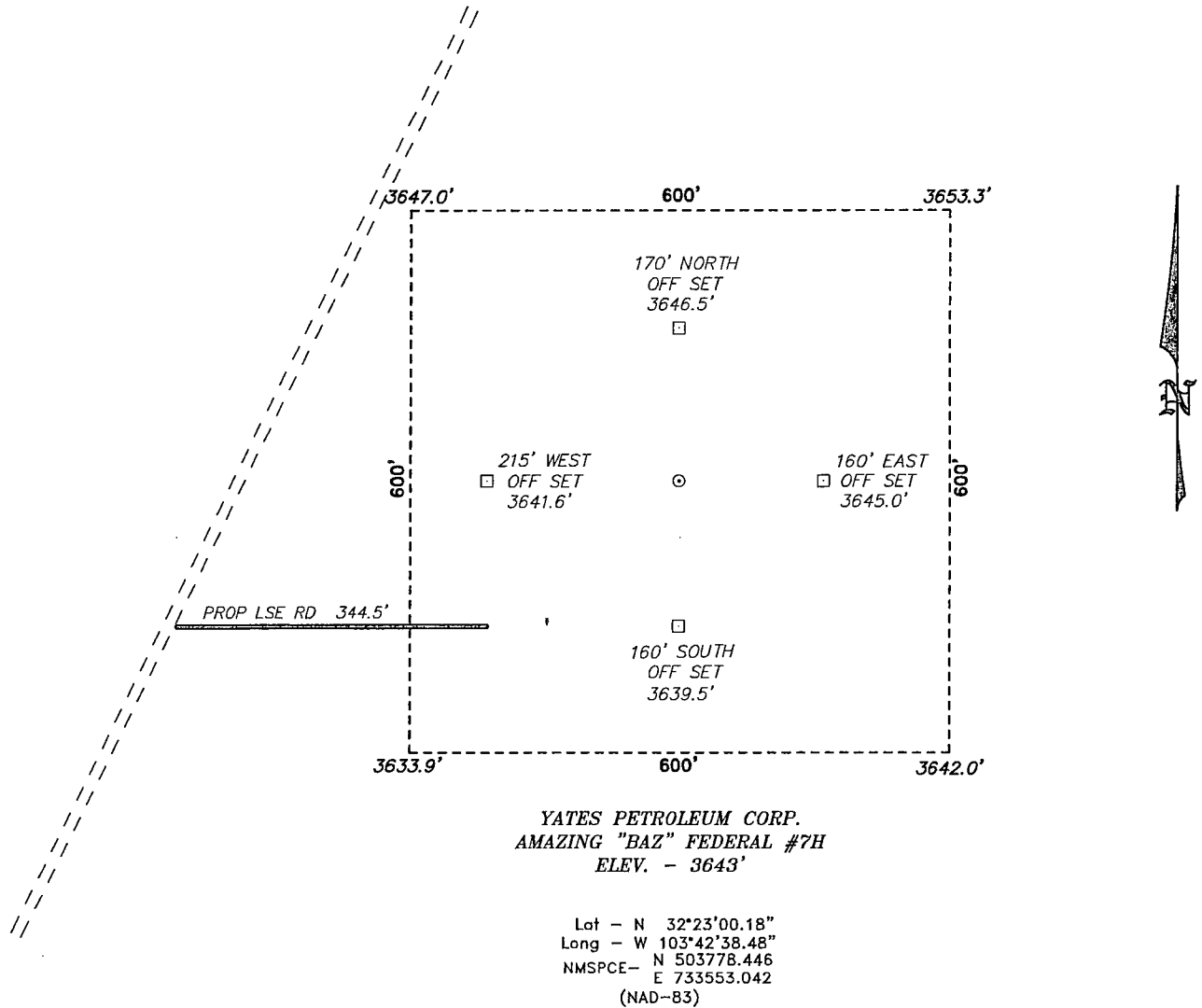
Field Representative (if not above signatory) Tim Bussell

Address (if different from above) Same

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

E-mail (optional) \_\_\_\_\_

SECTION 19, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



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

**YATES PETROLEUM CORP.**

REF: AMAZING "BAZ" FEDERAL #7H / WELL PAD TOPO

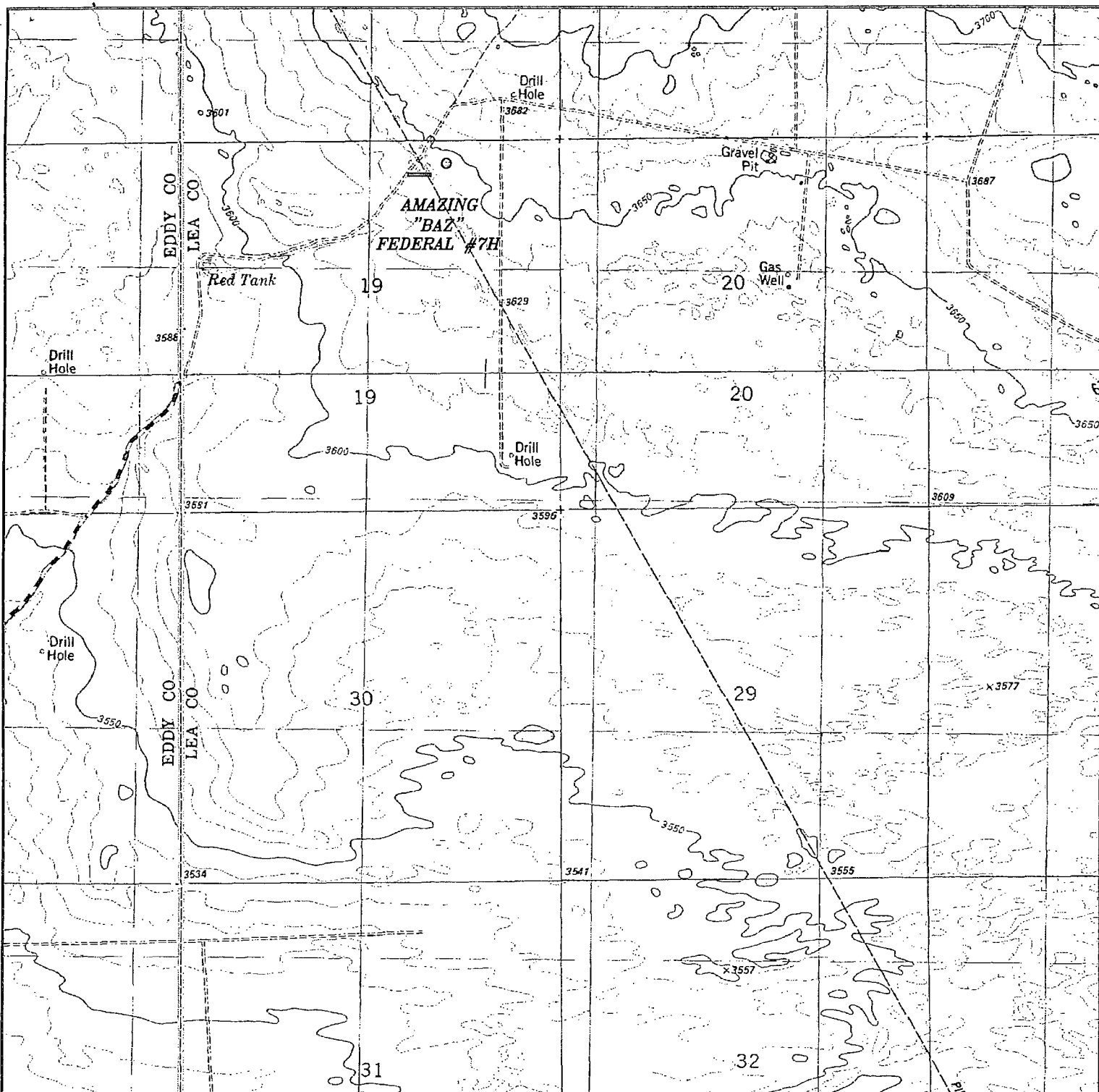
THE AMAZING "BAZ" FEDERAL #7H LOCATED 330'  
FROM THE NORTH LINE AND 1650' FROM THE EAST LINE OF  
SECTION 19, TOWNSHIP 22 SOUTH, RANGE 32 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 26734 Drawn By: J. SMALL

Date: 05-17-2012 Disk: JMS 26734

Survey Date: 05-11-2012 Sheet 1 of 1 Sheets



## AMAZING "BAZ" FEDERAL #7H

Located 330' FNL and 1650' FEL

Section 19, 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 26734

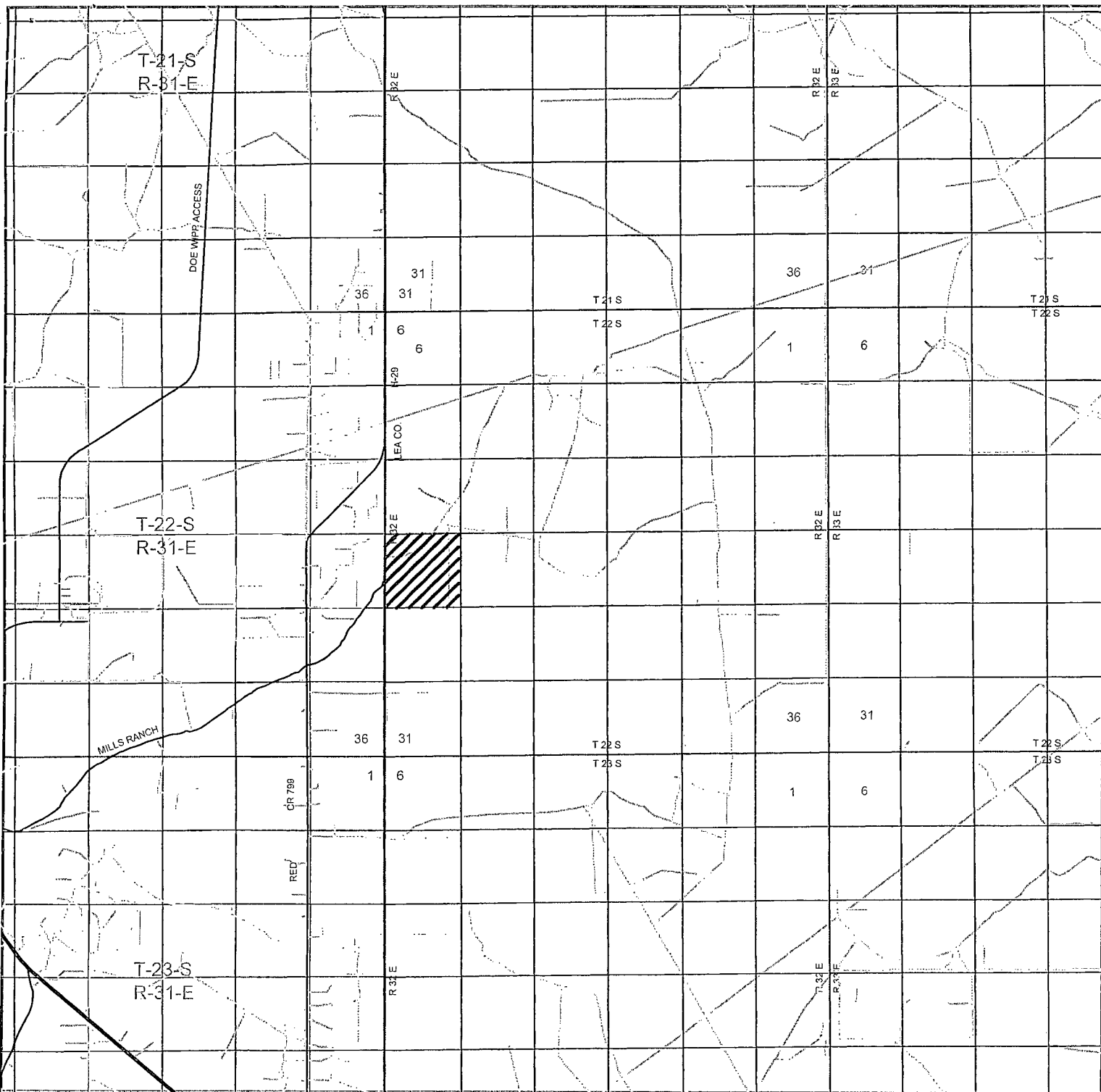
Survey Date: 05-11-2012

Scale: 1" = 2000'

Date: 05-17-2012



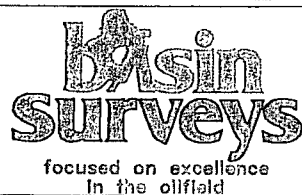
**YATES**  
**PETROLEUM**  
**CORP.**



# AMAZING "BAZ" FEDERAL #7H

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Section 19, 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 26734

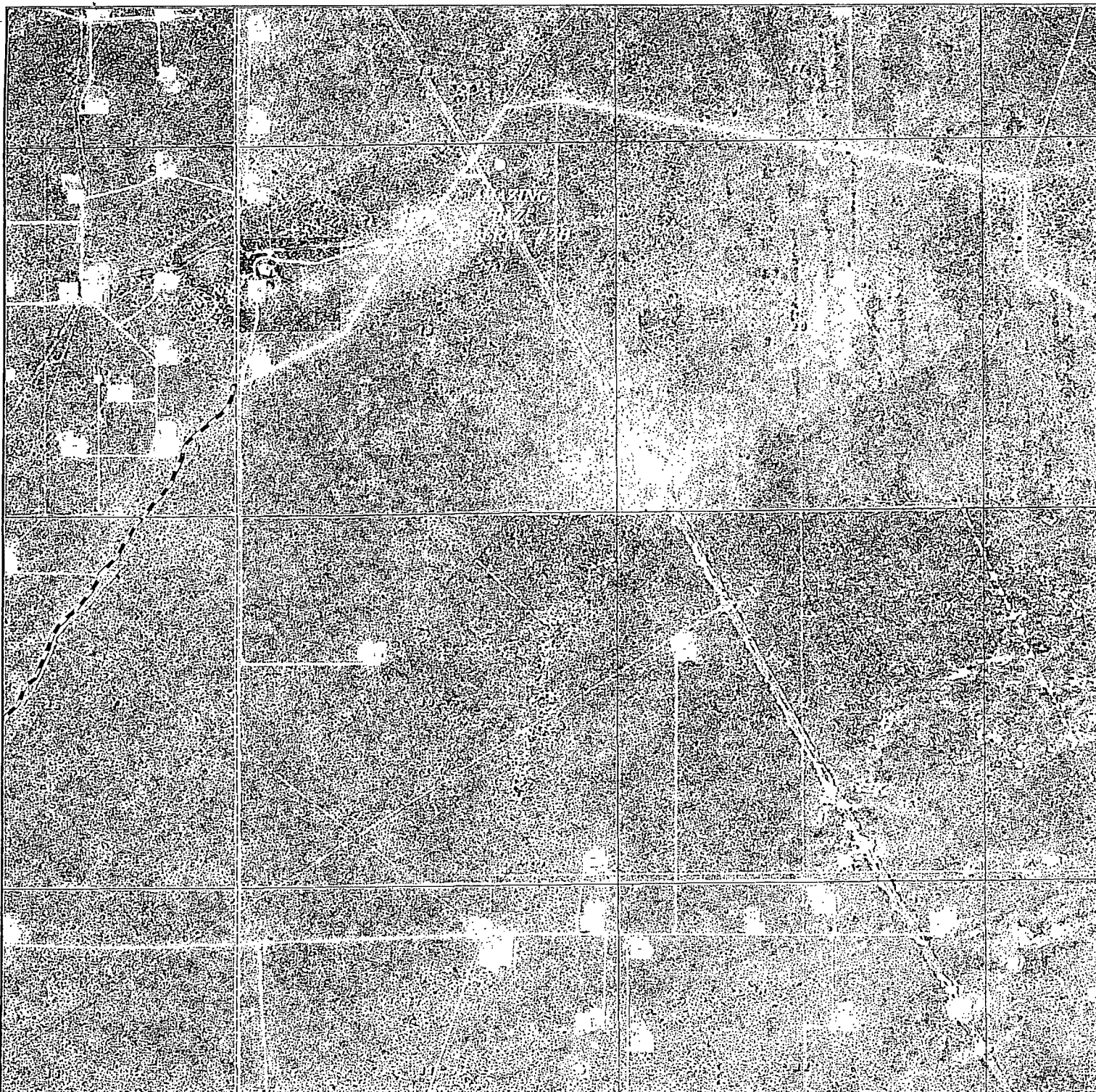
Survey Date: 05-11-2012

Scale: 1" = 2 Miles

Date: 05-17-2012



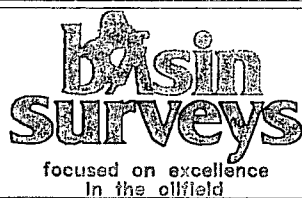
YATES  
PETROLEUM  
CORP.



## AMAZING "BAZ" FEDERAL #7H

Located 330' FNL and 1650' FEL

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N.M.P.M., Lea County, New Mexico.



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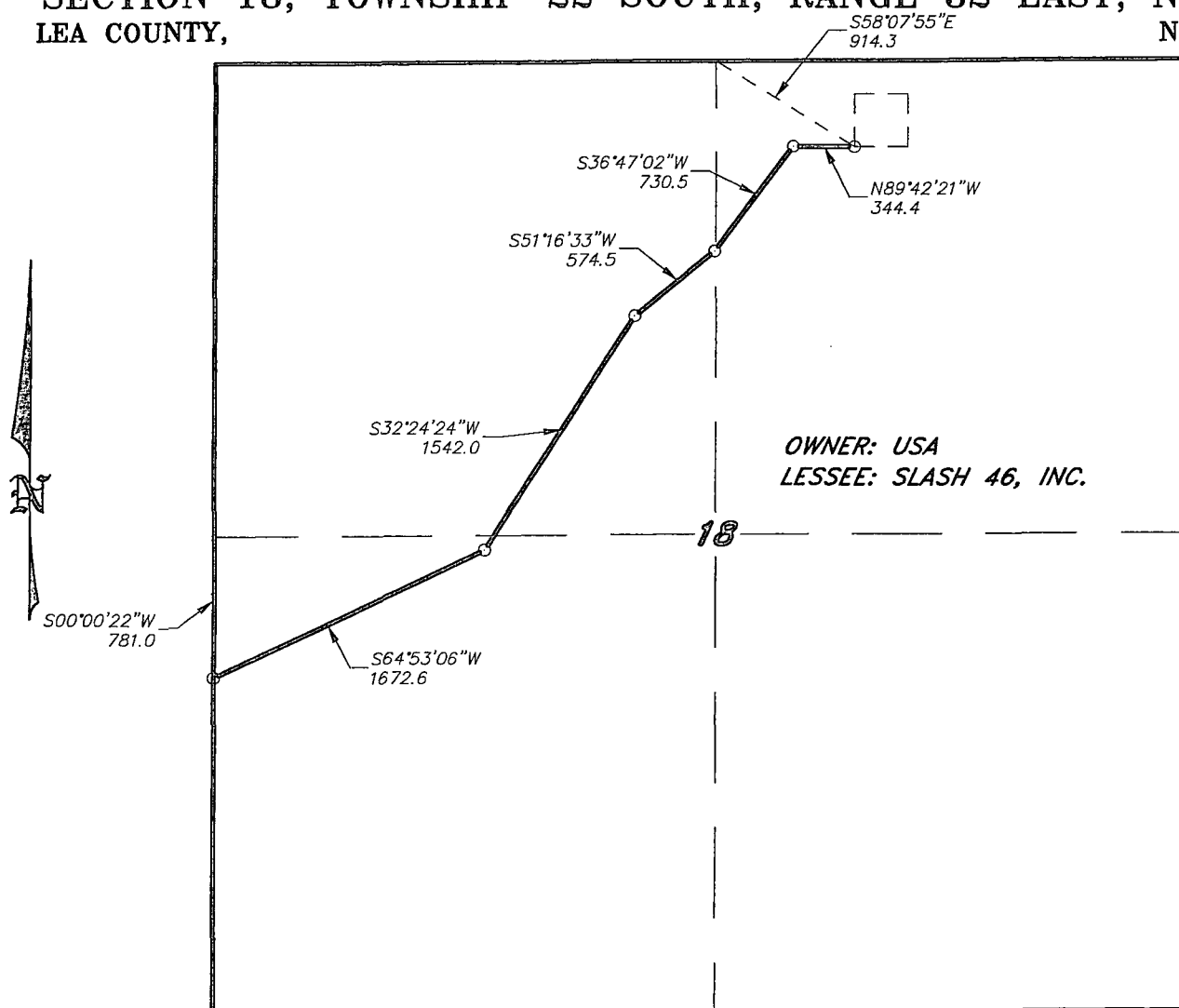
Scale: 1" = 2000'

YELLOW TINT - USA LAND  
BLUE TINT - STATE LAND  
NATURAL COLOR - FEE LAND



YATES  
PETROLEUM  
CORP.

SECTION 18, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

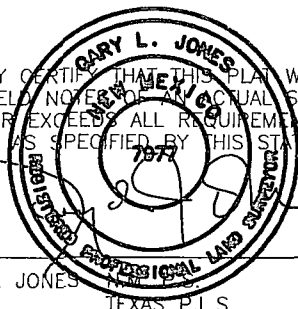


LEGAL DESCRIPTION

A STRIP OF LAND 20.0 FEET WIDE, LOCATED IN SECTION 18, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 10.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 18 = 4864.0 FEET = 294.79 RODS = 0.92 MILES = 2.23 ACRES

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

1000 0 1000 2000 FEET

**YATES PETROLEUM CORP.**

REF: PROPOSED LEASE ROAD TO THE AMAZING "BAZ" FEDERAL #7H

A LEASE ROAD CROSSING STATE LAND IN  
SECTION 36, TOWNSHIP 26 SOUTH, RANGE 28 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 26734

Drawn By: J. M. SMALL

Date: 05-17-2012

Disk: 26734

Survey Date: 05-11-2012

Sheet 1 of 1 Sheets

