

YATES PETROLEUM CORPORATION

Federal "GI" Com No. 1 - Wildcat - NM 0554756
Section 23-17S-23E
660' FNL & 1980' FEL
Eddy County, New Mexico

DEVELOPMENT PLAN TO ACCOMPANY "APPLICATIONS TO DRILL, FEDERAL LEASE".
12-Point Plan.

1. Existing Roads: See Plat (Exhibit A) U. S. Highway 82 running east-west
2. Planned Access Roads: See Plat (Exhibit A) Approx. 500 feet new road, bladed calched and watered, maintained as needed.
3. Location of Wells: See Plat (Exhibit A) 1.1 miles South Southwest of shut-in gas well - Yates Petroleum Corporation High Hope "DJ" No. 1 (Basal Abo); dry holes 3-4 miles East Southeast of this location.
4. Lateral Roads to Location: See Plat (Exhibit A) None proposed
5. Location of Tank Battery and Flowlines: See Plat (Exhibit C) On pad.
6. Location and Types of Water Supply: See Plat (Exhibit A) Fresh water trucked from commercial source in Artesia.
7. Methods for Handling Waste Disposal: See Sketch (Exhibit C)
8. Location of Camps: Not Applicable.
9. Location of Firststrips: Not Applicable.
10. Location Layout (rig, tanks, pits, racks, etc): See Sketch (Exhibit C)
11. Plans for Restoration of Surface: Pits to be fenced until dry then leveled and cleaned, upon abandonment will restore to near original. An agreement exists with Surface Owner for planned restoration of surface and compensation for any damages resulting from the drilling and completion of this well.
12. Other Environment Information: Rolling terrain w/praire, grass broom weed, greasewood, cacti. Environment will be protected to satisfaction of Surface Owner, Mrs. Frankie Montieth, Lovington Phone # 505-396-4523.

Yates Petroleum Corporation

By Eddie M. Mahfood Dated 6-20-76
Eddie M. Mahfood

Subscribed and Sworn to before me
this 21st day of June, 1976

Don H. Dargatzis
Notary Public