

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Walnut Draw KV Federal #1
1980' FSL and 660' FWL
(Exploratory Well)

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MAR 12 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331C. Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location, the construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected with this well.

1. EXISTING ROADS.

Exhibit A is a portion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 15 miles NW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed north from Artesia on Highway 285 for a distance of approximately 8 1/4 miles.
2. Turn west on to the county line road for approximately 11 miles.
3. Then turn south for one mile, the I.M. White ranch house will be on the right. At this point, the new road will start at the section corner.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1 mile in length from point of origin to the edge of the drilling pad. The road will lie in a northeast-to-southwest direction and will pass through a fence near the point of origin. A cattleguard will be installed through the fence.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. Three turnouts will be necessary.
- D. The new road has been flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. There is no drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.