

HARVEY E. YATES COMPANY
Travis Bassett-Birney #1
Sec. 7, T-18S, R-29E
Eddy County, New Mexico

1. EXISTING ROADS:

- A. Exhibit A is a portion of a highway map showing the location of the proposed well. The location is approximately 19 miles east of Artesia. Travel east from Artesia on Highway 82 for approximately 14 miles. Turn south on Highway 360 and travel for about 4.5 miles. At this point there is a road that turns left; travel on this road for about 1000'. Our location is due east about 250' and we will have to build the road to it.
- B. Exhibit B is a plat showing all existing roads in the immediate area.

2. PLANNED ACCESS ROADS:

- A. We propose to build approximately 250' of new road to our location. This road will be 12' wide and 6" thick compacted caliche.

3. LOCATION OF EXISTING WELLS:

- A. This section has several shallow producing wells, two dry holes and the newly drilled Empire South Deep Unit #16. Please refer to Exhibit B for details.

4. LOCATION OF TANK BATTERIES, ETC.:

- A. Anadarko has a tank battery located in the SE/4 of this section.
- B. In the event that we drill a producing well, all production facilities will be located on the pad that will be built. We anticipate finding gas and will not require power lines to this location. Plat of production facilities on proposed pad are on Exhibit E.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be obtained from commercial sources.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. If caliche is needed, it will be hauled from a Federal pit located in the SW/SW of Sec. 8, T-18S, R-29E.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Waste will be buried in reserve pits at a depth of 24". The well site will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

- A. None required.