

### Proposed Development Plan for Surface Use

Amoco Production Company's Yates Federal Well No. 1, Unit N, 2,310' FWL x 660' FSL, Sec 15, T-19-S, R-24-E, Eddy County - (Exploratory Well).

1. Existing roads including location of exit from main highway.  
Detailed map showing drillsite location in relation to the nearest town and all existing roads within one mile of the wellsite are shown on Exhibit A. From Artesia, go South on Highway 285 approximately 12 miles. Turn West on caliche road and go 10 3/5 miles to location. See Exhibit B.
2. Planned access roads.  
From the existing caliche road, the new road will go North to the Southeast corner of the drilling pad. The road will be 12' wide and 660' long. See Exhibit B.
3. Location of existing wells.  
All existing wells within one mile radius are shown on Exhibit C.
4. Location of tank batteries and flow lines.  
If the well is commercially productive, the production facilities will be located on the Southeast end of the drilling pad. See Exhibit D.
5. Location and type of water supply.  
Both fresh and brine water will be trucked by CLM Company in Artesia, N.M.
6. Source of construction materials.  
Caliche will be obtained from an existing pit located 3.7 miles from the location.
7. WASTE DISPOSAL -
  - a. Drill cuttings will be disposed of in the reserve pit.
  - b. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.