

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Saguaro "AGS" Fed. Com #1
1980' FSL & 660' FWL
Section 11-T20S-R24E
Eddy County, New Mexico

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 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 BLM county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 29 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Go south of Artesia for approximately 15 miles on Highway 285 to Rock Daisy Road.
- B. Turn west and go approximately 8.2 miles to Sawbucks Road.
- C. Turn south for approximately 1.6 miles. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1300' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a east to west direction.
- B. The new road will be 14 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. One turnout will be built.
- D. The route of the road is visible.

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 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.