MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Yates A SWD #1
1980' FNL and 1980' FWL
Section 21-T20S-R29E
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 the 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 map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 15 miles norhteast of Carlsbad, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

A. Take Highway 62/180 going east of Carlsbad for 13 1/2 miles to Burton Flats Road.
B. Go north for approximately 2 miles and turn west and continue on Burton Flats Road for approximately 3 miles.
C. Turn on existing caliche road going south to location.

2. PLANNED ACCESS ROAD

Will use existing road.

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.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. If needed the water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

None needed. Will use existing road and location.