

Yates Petroleum Corporation
Box Canyon GJ Federal No. 1 Com -
~~1900'~~ FSL & 1650' FEL
2130
Section 13-21S-21E
Eddy County, New Mexico

Development Plan to Accompany "Applications to Drill, Federal Lease".
12-Point Plan.

1. Existing Roads: See Plat (Exhibit A) Caliched lease road from Panama Cawley Rd (24-21S-21E) to Citgo-Little Box Canyon Unit #1 (7-21S-22E)
2. Planned Access Roads: See Plat (Exhibit A) None needed - location is approx. 50' west of road.
3. Location of Wells: See Plat (Exhibit A) Approx. 1-1/4 miles SW from Morrow gas well (Little Box Canyon Unit #1)
4. Lateral Roads to Location: See Plat (Exhibit A) None needed
5. Location of Tank Battery & Flowlines: See Plat (Exhibit C) On high side of pad with transport turn-around space.
6. Location & Types of Water Supply: See Plat (Exhibit A) Trucked from Siegrest waterhole and other commercial sources
7. Methods for Handling Waste Disposal: See Sketch (Exhibit C) Reserve Pit for drilling mud and cuttings; burn pit for trash and engine oil.
8. Location of Camps: Not Applicable.
9. Location of Airstrips: Not Applicable.
10. Location Layout (rig, tanks, pits, racks, etc): See Sketch (Exhibit C)
11. Plans for Restoration of Surface: Burn pit will be filled in after completion; reserve pits will be fenced until dry then leveled; location will be cleaned and restored to near original or to the satisfaction of owner.
12. Other Environment Information: Rocky base with some scattered sand & some prairie grass, tumbleweed, greasewood, cacti and other desert flower. Minimal dirt work, mostly clearing and leveling, caliche from reserve pit could cover pad.
13. Company Representative: Will be Eddie Mahfood or Leon Bergstrom c/o Yates Petroleum Corporation - Phone #746-3558 A/C 505