

YATES PETROLEUM CORPORATION - El Paso "GS" No. 1 Com  
1930' FSL & 2080' FEL, Section 11-21S-21E, Eddy County, New Mexico

Surface Use Plan to accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) Approximately 23 miles South of Artesia on U.S. 285 turn West on Marathon Plant Road, go SW and West approximately 20 miles to end of black-top, continue West & North on caliche oil-field road for 7.5 miles (crossing Little Box Canyon) to gate in Armstrong Ranch fence, through gate and NW for 2.7 miles (crossing Box Canyon) to orange flagging. This last 2.7 miles is rough ranch road and will need blading and some caliche padding and watering. Will install cattleguard at gate while drilling and completing well.

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2. PLANNED ACCESS ROADS: See Plat (Exhibit A & B) Approximately 1 mile new road 12' wide with 3 or 4 turnouts, NW from existing (Panama Cawley) road to section marker and ENE across ridge to location. Rocky surface with mesquite, cactus and other desert flora; hard on tires; surface to be bladed and watered.

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3. LOCATION OF EXISTING WELLS: See Plat (Exhibit B) Two shut-in gas wells within 2 mile radius, one windmill approximately ½ mile North of location.

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4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) Tank battery will be built in Southwest part of pad near access road.

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5. LOCATION AND TYPE OF WATER SUPPLY: Drilling water will be trucked to location from any available commercial source via existing roads and access road.

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6. SOURCE OF CONSTRUCTION MATERIAL: Existing ranch road is on caliche outcrop and rocky surface. Construction material may be taken from cuts in road & pad thereby not having to open any pits and not detracting from the aesthetics or environment. Dirt contractor (Sweatt Construction) available for BLM inspection tour.

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7. METHODS FOR HANDLING WASTE DISPOSAL: Steel pits for mixing mud; reserve pit for circulating mud and cuttings; burn pit for burning mud sacks & garbage; jet sump for engine oil & trip mud; small sump for portable commode; trash barrels for house-cleaning.

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8. ANCILLARY FACILITIES: None

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9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C)  
(a) Fairly level terrain draining to North, South, & East.  
(b) Will make a small ~~v~~-cut from West end of pad to fill & level drainage anomalies on pad.  
(c) Reserve pit will be plastic-lined to hold drilling fluid.  
(d) Pad & pit area has been flagged.