

"4A" 1
YATES PETROLEUM CORPORATION - BOX CANYON ~~UNIT~~ NO. 7
660' FNL & 1980' FEL, Section 23-21S-21E, Eddy County, New Mexico

Surface Use Plan to accompany Form 9-331C, Application to Drill.

1. EXISTING ROADS: See Exhibit A. Approximately 19.2 miles south of Artesia on U. S. 285, turn west on Marathon Plant road. Continue SW for approximately 12.7 miles until the road dead ends at a stop sign. Turn right (west) and continue for approximately 7.95 miles, then turn right onto a dirt road (at the point where there is a wrecked car at the side of the road). Continue for approximately 7.85 miles to a fork in the road and take the left fork (there is a tank off to the right at this point). Continue for approximately 0.7 miles. The proposed new access road to the wellsite will begin on your right at this point and this location is clearly indicated by flagging.
2. PLANNED ACCESS ROAD: See Exhibits A & B. Approximately 0.25 miles of new road 12' wide, with 1 or 2 turnouts. The route of this road is indicated in red on Exhibits A and B.
3. LOCATION OF EXISTING WELLS: See Exhibit B. There are 4 gas wells within approximately a 2 mile radius, in sections 11 and 13-T21S-R21E and in section 7-T21S-R22E, and one drilling well $\frac{1}{2}$ mile to the north.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Exhibit C. Tank Battery will be built on the southern portion of the pad.
5. LOCATION AND TYPE OF WATER SUPPLY: The well will be drilled with a fresh water system. Water will be obtained from a commercial source and will be hauled to the location by truck over the existing and planned access roads shown in Exhibits A and B.
6. SOURCE OF CONSTRUCTION MATERIAL: Caliche will be obtained from an existing pit on federal surface in section 19-T21S-E21E, approximately 0.8 miles from the starting point of the proposed new access road at the site.
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.
8. ANCILLARY FACILITIES: None.
9. WELLSITE LAYOUT: (rig, tanks, pits, racks, etc.) See Exhibit C.
 - (a) Fairly level terrain draining to north.
 - (b) Will make a 4-5' cut from south end of pad to fill & level drainage anomalies on north side of pad.
 - (c) Reserve pit will be plastic-lined to hold drilling fluid.
 - (d) Pad & pit area has been flagged.