

Yates Petroleum Corporation
Hilliard BF Federal #2
330' FNL and 2310' FWL
(Developmental Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location, the construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected by this well. This unorthodox location was heard in Santa Fe on March 28, 1979.

1. EXISTING ROADS.

Exhibit A is a portion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 32 miles SW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go for approximately 23 miles south of Artesia on U.S. 285, turn west on Marathon Plant Road, go southwest and west approximately 17½ miles on black-top (or 4 miles west of Marathon Plant), then north on caliched lease road for 2 miles to Tatman Ranch Road, then left across the cattleguard and northwest to corrals. (A wider gate will be set at the east entrance to the corrals and a cattleguard will be set at the west gate of the corral. In addition the gate will be widened at the west side of the corrals, deeded land.) Continue west for approximately 2 miles on caliche. The new road will start here going south.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 2600' in length from point of origin to the edge of the drilling pad. The road will lie in a north-to-south direction and will pass through a fence near the point of origin. A cattleguard will be installed through the fence.
- B. The new road will be 12 feet in width (driving surface), except at the point of origin, adjacent to the existing road, at which point enough additional width will be provided to allow the trucks and equipment to turn.
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. Two turnouts will be necessary.
- D. The new road has been flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. There is no drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are production facilities on this lease at the present time. See Exhibit A.
- 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.