

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Slinkard "UR" Federal #4
660' FNL and 1980' FWL
Section 12-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 16 miles northeast of Carlsbad, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Take Highway 62/180 east from Carlsbad for 13 1/2 miles.
2. Turn north on County Road 238 and go for 4 miles.
3. Turn east and go approximately .6 of a mile to the Slinkard UR Fed. #1 location.
4. Go off northeast of well pad on lease road for approximately 1/2 mile.
5. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1000' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northwest to southeast direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnout will be built.

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 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. 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.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. 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.