

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Bonneville "AKK" Federal #2

660' FSL and 200' FEL

Section 24-T21S-R31E

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 38 miles northeast of Loving, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go southeast out of Carlsbad, New Mexico on Highway 285 to 31. Go east on 31 to 128 (Jal Hwy). Go approximately 16 miles to Red Road (County Road 802). Turn north and go approximately 9 miles on the pavement. Will be a Lea County 29 sign. Stay on pavement and continue for approximately 4.5 miles. Go left (west) to Wolf Federal #4 location. Go north past the Wolf Federal #5 on the SE corner of pad.

2. PLANNED ACCESS ROAD

A. None needed.

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 no 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.

C. A flowline from this well to the #4 well will be needed. It will follow the west side of the road.

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.

6. SOURCE OF CONSTRUCTION MATERIALS:

The pit located in the E/2SW/4 of Section 12-T22S-R31E on BLM lands unless dirt contractor finds a closer source.