

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Lowe Staple "AMR" Federal Com. #2

237' FNL and 937' FWL Surface Location

660' FNL and 660' FWL Bottom Hole Location

Section 22-T21S-R24E

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 the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 32 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia on Highway 285 to White Pine Road (CR 28). Turn right on White Pine Road and go 10.1 miles. Turn left on lease road and go 0.8 of a mile. Pit on the right. Turn right and follow main lease road for approx. 0.7 of a mile to top of ridge. Road will fork, go left and go approx. 1.3 miles to Marathon's Indian Hills Unit #28 well. This is the last well location on the lease road. The new road will start here following an existing two-track road going east. Follow two-track road for approx. 800' and two-track road will fork. Take left fork and go approx. 0.2 of a mile to the southwest corner of the proposed well location.

2. PLANNED ACCESS ROAD:

- A. Approximately 0.3 of a mile of existing two-track road will be upgraded to the southwest corner of the well pad.
- 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. Traffic turnouts may be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

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.