

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Energy Corporation
Texasville Federal Com #1
1980' FSL & 1980' FWL
Section 27, T23S, R23E
Eddy County, New Mexico

This plan is submitted with Form 9-331-C, 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 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 a BLM topographic map showing the roads in the vicinity of the proposed location. The proposed well site is approximately 38 miles west of Carlsbad. The access route is indicated in orange on Exhibit B.

Directions:

1. Travel west from Carlsbad on State Road #408 (Dark Canyon Highway) for 36 miles.
2. Turn south on State Road 137 (Sitting Bull Falls - El Paso Gap road) and go approx. 3.5 miles.
3. At Mile Marker 31, at the Yates Energy Corporation sign, turn east and go approx. 1½ miles on the existing ranch road. One road fork will be encountered, take left fork at OXY sign.
4. Turn north, the new access road to the wellsite will go approx. 471 feet (marked on Exhibit B in green).

2. PLANNED ACCESS ROAD

- A. The proposed new road will be approximately 471' in length to the north from the existing road.
- B. The new road will have a 12 foot driving surface.
- C. The new road will be bladed with drainage on one side and surfaced where needed.
- D. The route of the road is staked.

3. LOCATION OF EXISTING WELLS

- A. Producing well - Desert Road Federal #1, located approx. 1/2 mile east of the proposed location (1740' FSL & 660' FEL in said Section 27), operated by Yates Energy Corporation.