

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Heflin SWD #1
660' FSL and 1980' FEL
Section 24-T24S-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 29 miles southeast of Loving, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east out of Carlsbad on Pecos Highway. Turn left and go to Hwy 128 . Turn right and go approximately 20 miles to county road. Turn right and go approximately .45 of a mile and turn left(south). Go approximately 2.3 miles and turn right. Go approximately .4 of a mile to location.

2. PLANNED ACCESS ROAD

A. None, existing road.

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.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to re-enter 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:

If needed they will be hauled from a pit in Sec. 7-T24S-R32E.