

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Feline "ALF" Federal #4

1980' FNL and 1980' FWL

Section 34-T21S-R30E

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

DIRECTIONS:

Go out of Carlsbad, New Mexico on Hobbs Highway (62-180) to Road 31. Go south for approximately 8 miles to Cimarron Road (736). Go east approximately 5.5 miles through cattle guard past ranch house. County Road goes south. Continue east on lease road approximately 1.5 miles (road forks past trailer house). Go left approximately 1.5 miles road T's. Turn left and go .4 of a mile to old location. Turn right and follow the road to the Julia "AJL" Federal #4 location. Continue west approximately 1600'. The new access road will start here and go north.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 250' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northerly 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 both sides. Adequate traffic turnouts will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within 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.

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:

Request that BLM provide a pit in that area.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been levelled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP: Federal surface administered by the Bureau of Land Management.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

Clifton R. May, Permit Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

B. Through Drilling Operations,
Completions and Production:

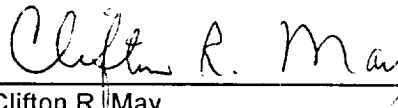
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

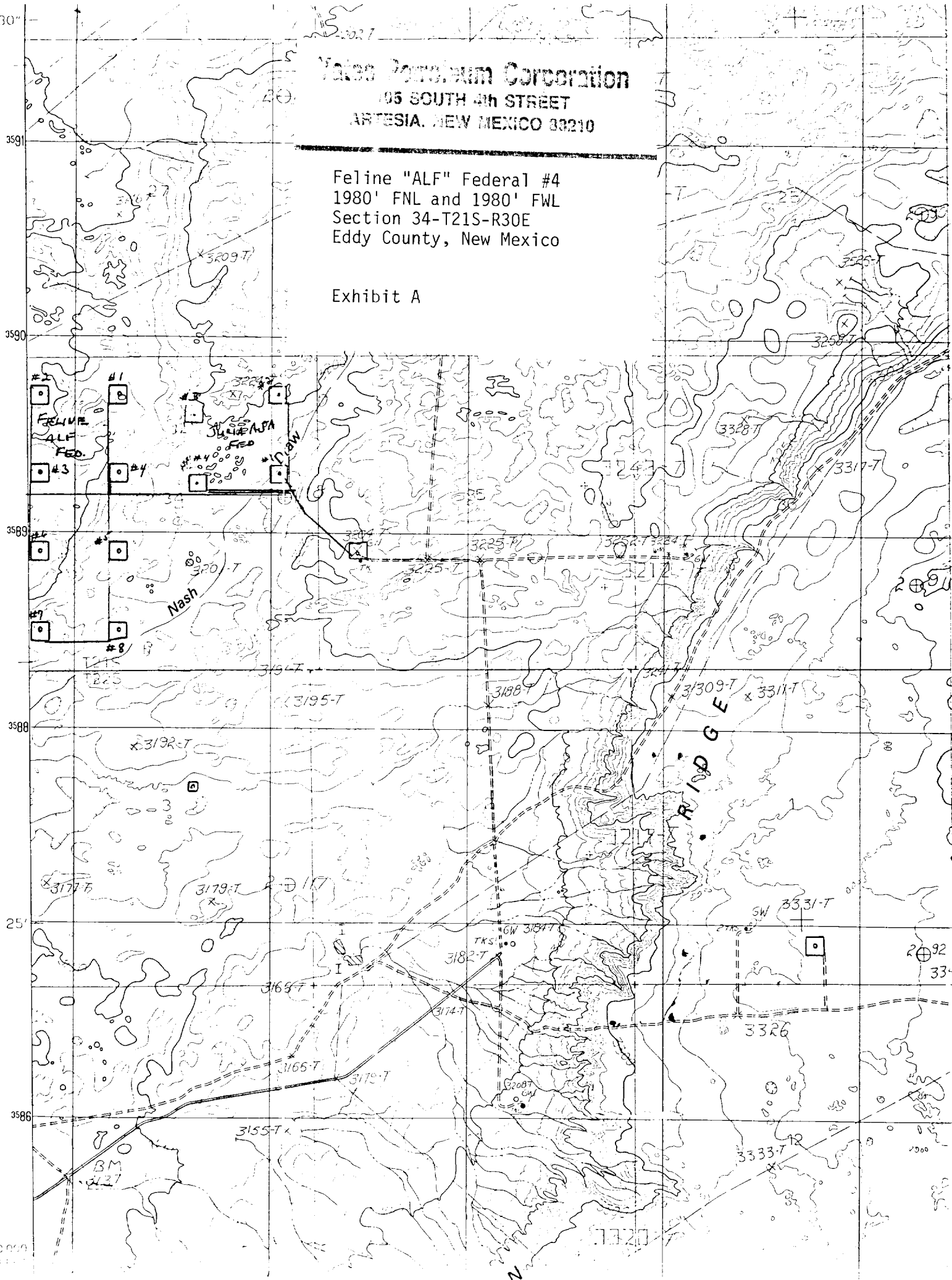
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Date

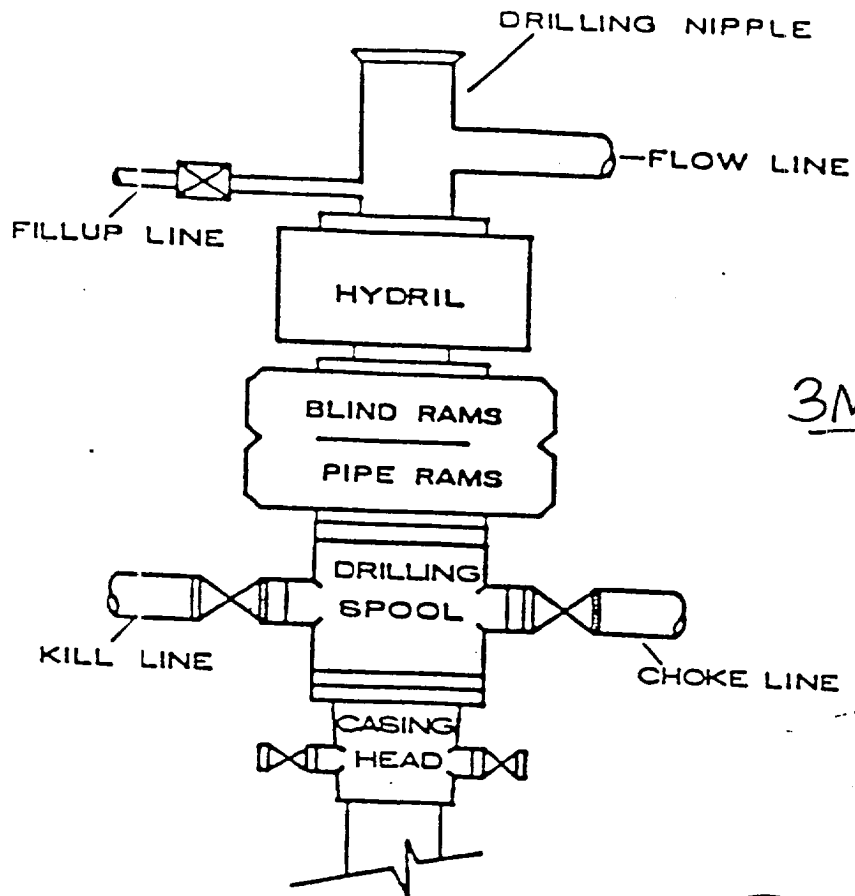


Clifton R. May
Permit Agent

Feline "ALF" Federal #4
1980' FNL and 1980' FWL
Section 34-T21S-R30E
Eddy County, New Mexico

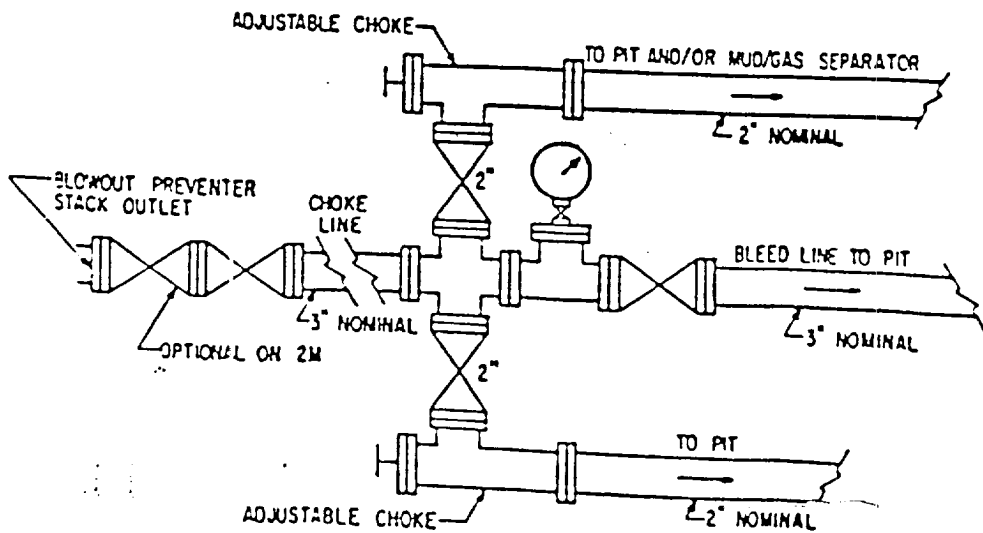


BOP STACK



3M

SJS



YATES PETROLEUM CORPORATION

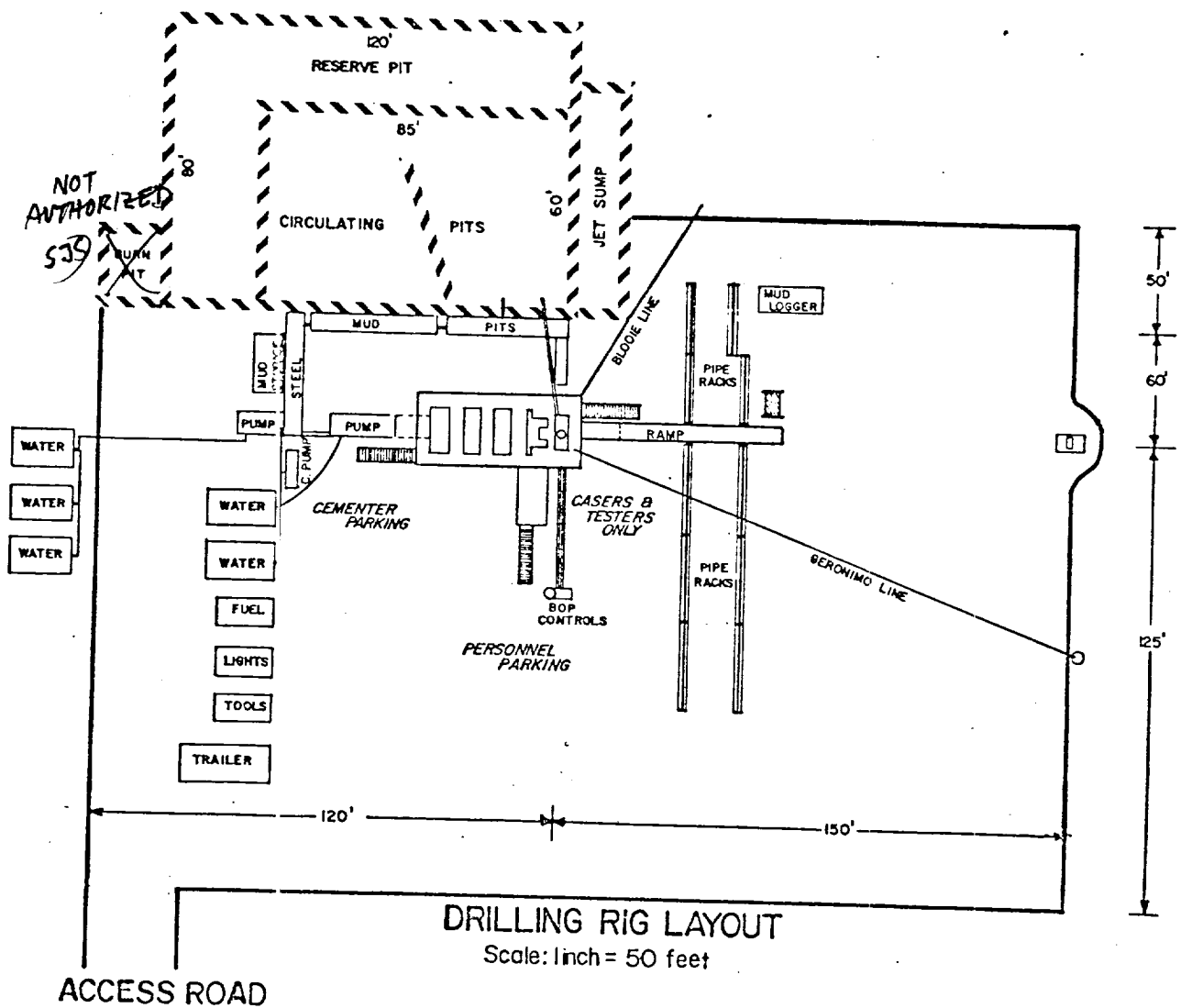


EXHIBIT C

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Feline "ALF" Federal #4
2080' FNL and 2130' FWL
Section 34-T21S-R30E
Eddy County, New Mexico

27° 30"

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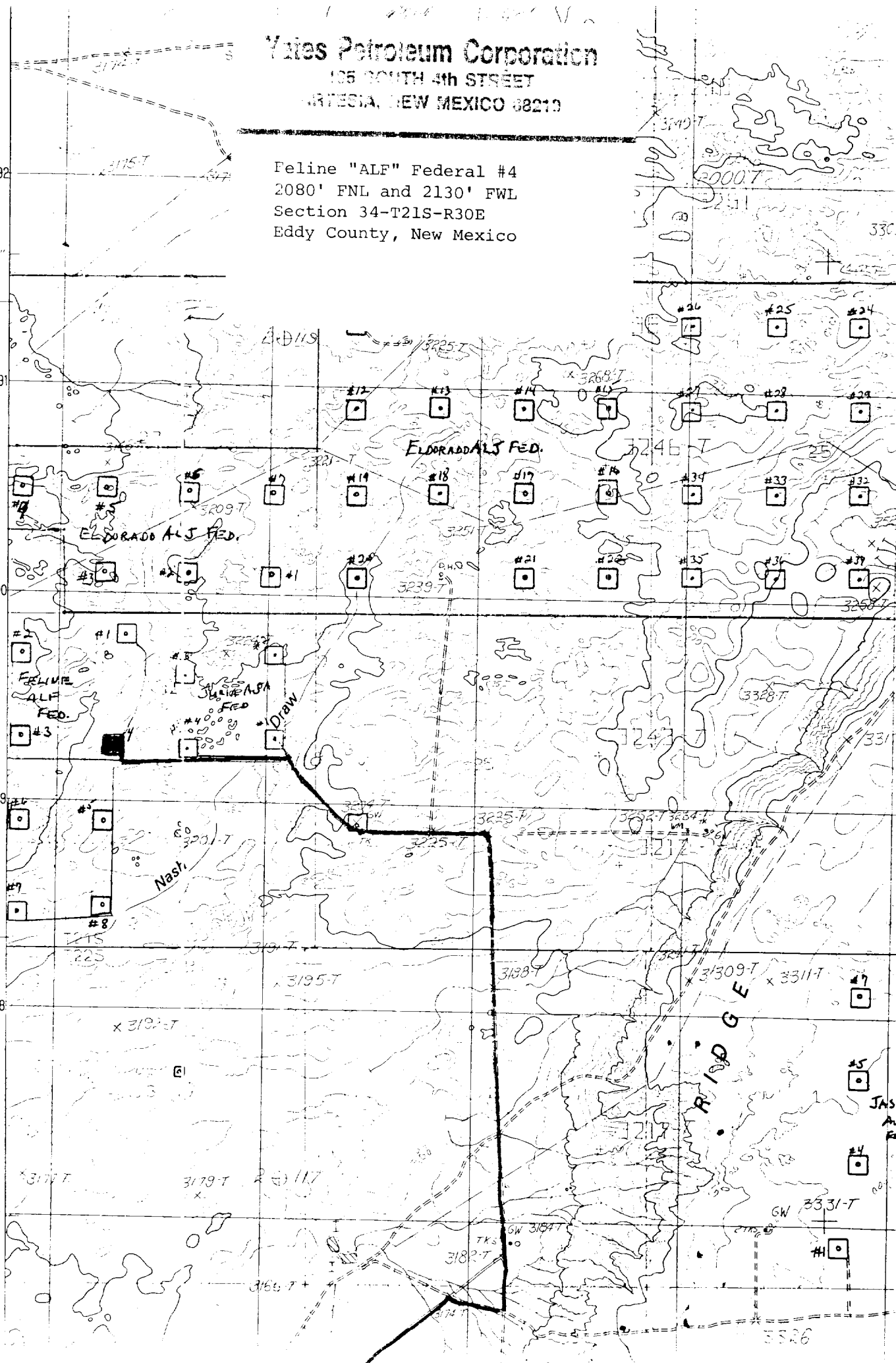
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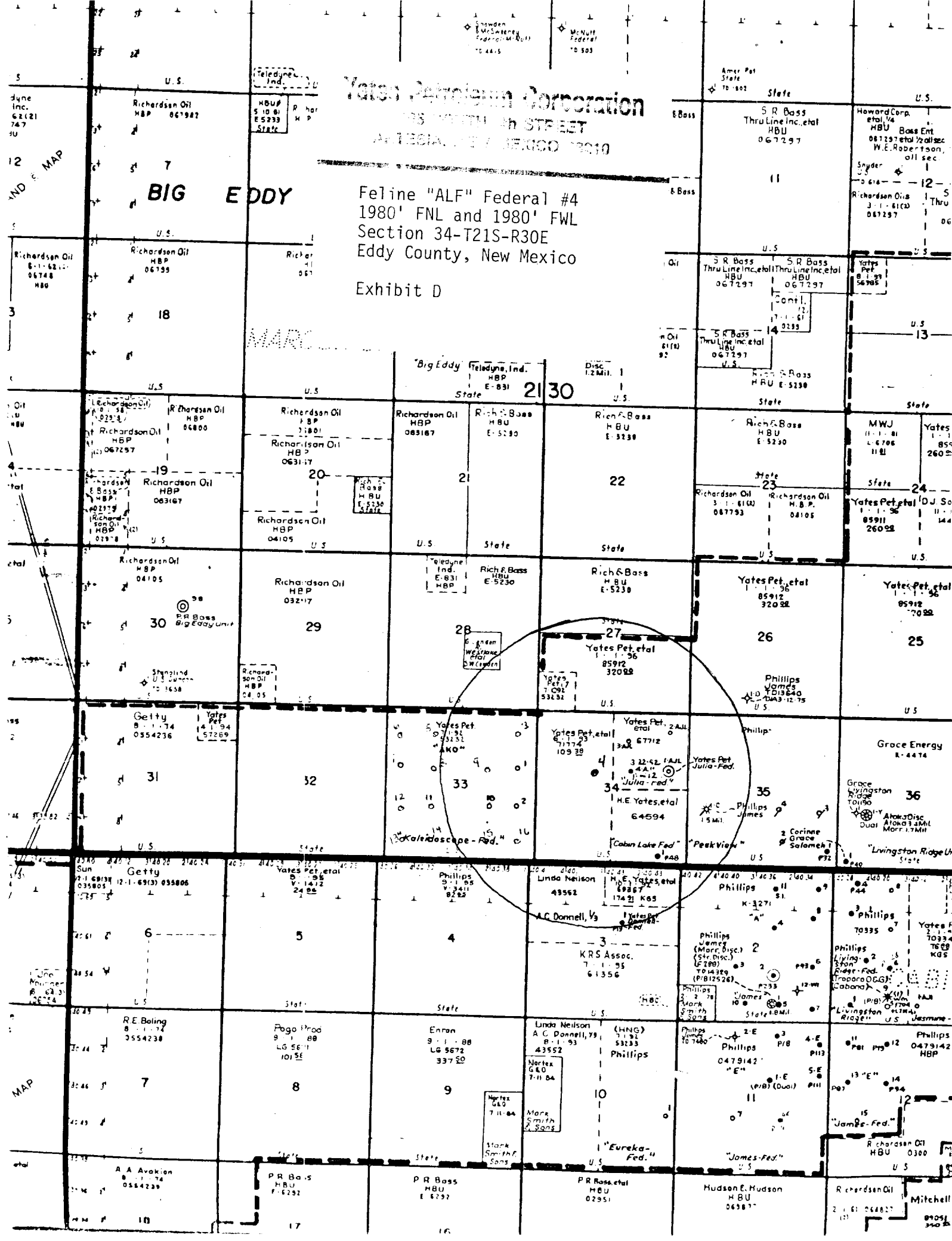
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25'



IND. MAP

MAP



Yates Petroleum Corporation
1000 NORTH 10TH STREET
ALBUQUERQUE, NEW MEXICO 87102

Feline "ALF" Federal #4
1980' FNL and 1980' FWL
Section 34-T21S-R30E
Eddy County, New Mexico
Exhibit D

BIG EDDY

MARCO

Big Eddy Teledyne, Ind.
HBP
E-831

Disc
12 Mil.

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MAR 31 1993

3160 (067)
NM-71774

RECEIVED

APR 19 1993

C. L. J.

CERTIFIED--RETURN RECEIPT REQUESTED
P 319 327 455

Yates Petroleum Corporation
Attention: Clifton R. May
105 South Fourth Street
Artesia, NM 88210

RE: Feline "ALF" Federal Well No. 4
NM-71774
1880' FNL & 2130' FWL, Sec. 34, T21S, R30E
Eddy County, New Mexico

Dear Mr. May:


On August 14, 1992, Yates Petroleum Corporation filed an Application for Permit to Drill (APD). The well site was moved by Sundry Notice January 26, 1993, to the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from minable ore zones that potash resources should not be impacted.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

/s/ Monte G. Jordan

 Larry L. Woodard
State Director

1 Enclosure

bcc:

NM (910, L. Woodard)
NM (920, R. Smith)
NM (060, L. Cone)
NM (060, A. Lopez)
NM (067, T. Herrell)✓