30-015-39449

MULTI-POINT SURFACE USE AND OPERATIONS PLAN YATES PETROLEUM CORPORATION Golly BRG Federal #1H

550' FSL & 1000' FEL, Surface Hole Location Section 34, T16S-R27E 940' FSL & 330' FWL, Bottom Hole Location Section 35-T16S-R27E 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 8 miles east of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS: Go east of Artesia, NM on Highway 285 for about 8 miles to the power station at Southern Union Road. Turn left on Southern Union Road and go about 2.8 miles. Follow the road to the right for about 1.1 miles to a white compressor site. Turn left here and follow lease road for approximately 0.1 of a mile. The road will make a "Y" at this point. Follow left road to the north for about 2.1 miles. There will be a white tank on the right side of the road and a cattleguard. Turn left here on existing lease and go approximately .7 of a mile. Turn right on lease road and go approx. 0.4 of a mile being just past the access road to the Bleu Pearl BAF State Com #1 well access road. The new access road will start here going to the right for approx 300 feet to the southeast corner of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 300 feet or less in length from the point of origin to the southeast corner of the drilling 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 both sides. No traffic turnouts will be needed.
- 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 aren't any production facilities on this lease. Production facilities may be constructed on this well location.
- 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 of oil or gas a diesel self-contained unit will be used to provide the necessary power until an electric line can be built, if needed.

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 dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. A closed loop system will be used to drill this well and reserve pits will not be used.
- B. The closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the "Pit Rule" 19.15.17 NMAC. Form C-144.
- C. Drilling fluids will be removed after drilling and completions are completed.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. 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 landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit B shows the relative location and dimensions of the well pad, closed loop mud system, location of the drilling equipment, rig orientation and access road approach. The proposed well location will be approximately 375' x 330'. All of the location will be constructed within the 600' x. 600' staked area.
- B. The closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the "Pit Rule" 19.15.17 NMAC.
- C. A 600' x 600' 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 well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is plugged and abandoned, 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 after they have evaporated and dried. Pit reclamation will meet 19.15.17 requirements.

Golly BRG Federal #1H Page Three

11. SURFACE OWNERSHIP:

State of New Mexico Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504

MINERAL OWNERSHIP:

State of New Mexico Lease: VA-1750 Federal Mineral Lease: NM-93131

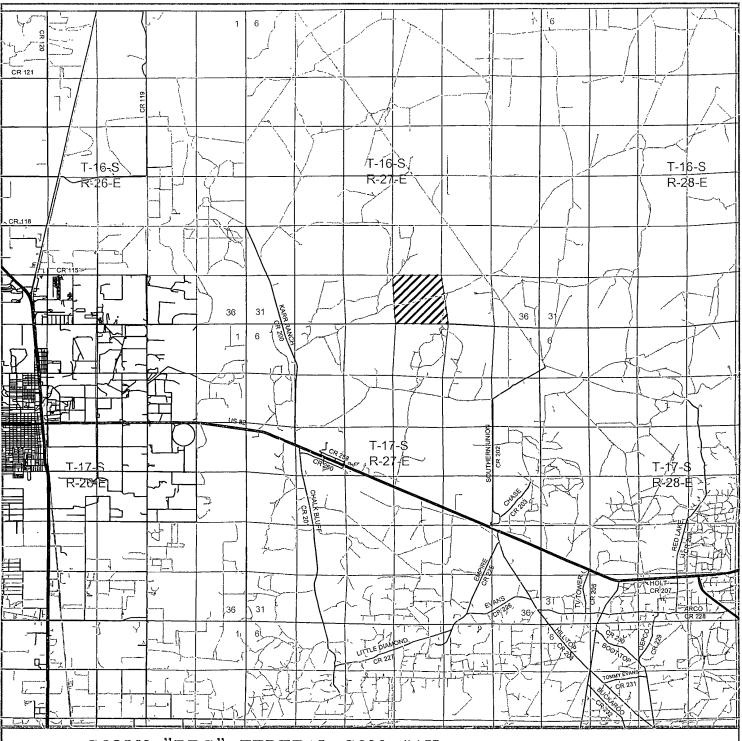
12. OTHER INFORMATION:

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

CERTIFICATION YATES PETROLEUM CORPORATION Golly BRG Federal #1H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 17th day of June 2011
Signature Chris
Name Cy Cowan
Position Title Land Regulatory Agent
Address 105 South Fourth Street, Artesia, New Mexico 88210
Telephone(505) 748-4372
Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor
Address (if different from above) Same as above.
Telephone (if different from above) (505) 748-4221
E-mail (optional)



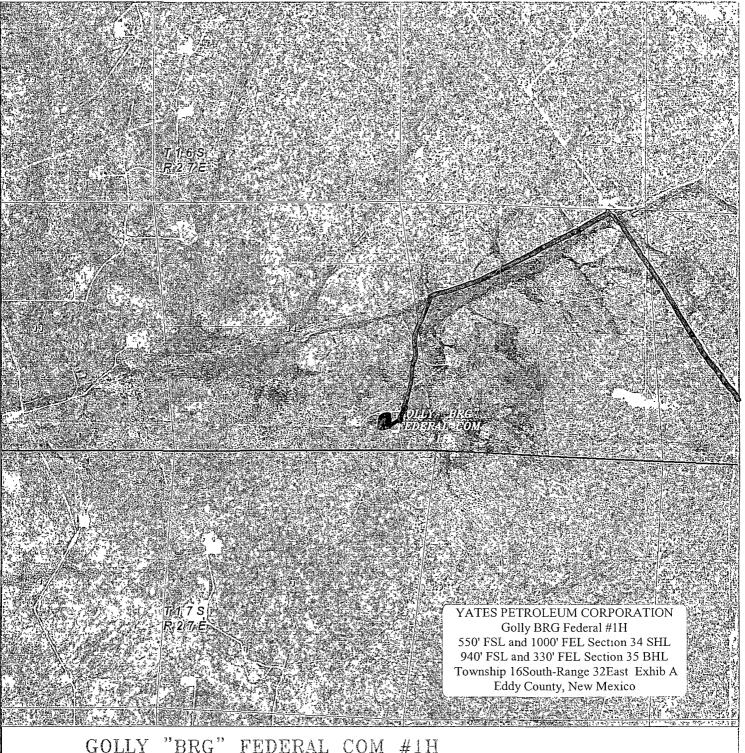
GOLLY "BRG" FEDERAL COM #1H Located 550' FSL and 1000' FEL Section 34, Township 16 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 — Office (575) 392-2206 — Fax basinsurveys.com

	W O. Number: JMS 23839	d
Section and sectio	Survey Date 03-19-2011	3
	Scale: 1" = 2 Miles	W
	Date: 03-22-2011	

YATES PETROLEUM CORP.



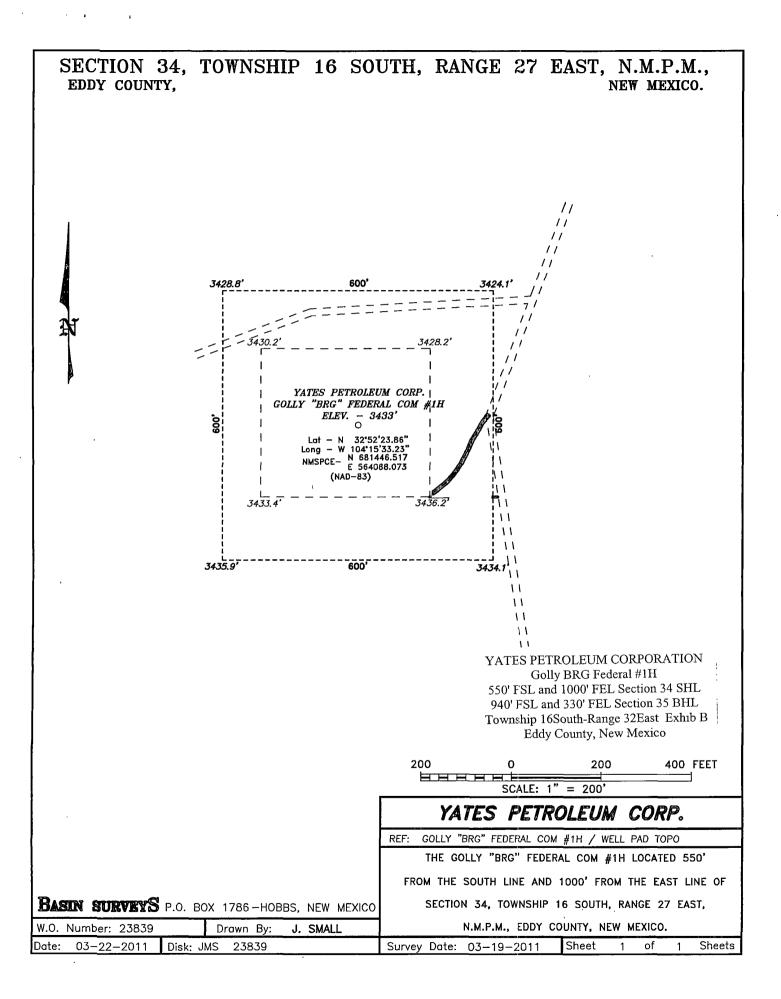
GOLLY "BRG" FEDERAL COM #1H Located 550' FSL and 1000' FEL Section 34, Township 16 South, Range 27 East. N.M.P.M., Eddy County, New Mexico.



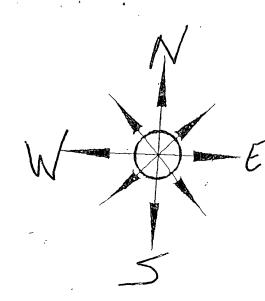
P.O. Box 1785 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com W O. Number: JMS 23839

Scale: 1" = 2000

YELLOW TINT - USA LAND BLUE TINT - STATE LAND NATURAL COLOR - FEE LAND YATES PETROLEUM CORP.



		Uromo Hosf	ordono (;) //K()(K	Dramond and Hall (5) Dramond	and Half, etal, 15) Dia
D E Gonzales V 8303 ou Transcendent 1 1 7013	Yotes Pe		Yntes Pet elal Wis 97 17 17 17 17 17 17 17 17 17 17 17 17 17	Wise 0 & 6 9 2014 V 8529 800 92	Wise 0 8 6 9 1 2014 9 5520 800 05
203 an (Louisement)	Suss Smalt] Fractor 191798	4 1	-	· 2	
Srute	Southerland, etal DIAG 18 64 M' WE Friend Est, etal LEL Cat Co (5)EMI	State J Luce, et al	J Luce, etal Sione	State	State
# York Pet, et al # York Pet, et al # York Pet, et al # York Pet, et al # 1 2019 123935 259Mil c 350 95	Y ot es Brig : e to l g + 2010 roszrs 95 <u>e</u> e	Yotes Pet, etal 5 · l · 2013 V 8 z 69 \$ 53 ti	₩ise 0 & G 9 1 2014 ∨ 8532	Chase Oil was inc	Votes Pet, etal
2 69M1 (12350 % 35	(Chesop & ake)	7,50	320 <u>22</u>	Chase 01/ with inc. 5 1 2012 (Igarian Garage V B 1152 Taxon Sarage V B 1151 Chair 17	
S C Hamblin S 24 2011 3 7 7 7	WE FriendEst, etal LEL (at (a,(5)		State		S F Johnson, etal Guy # Nickson, Ann
6 10-20!!	Yates Pet, aral 9 1 2014 V 8531 346 97	Yates Pet., etgl 5 · 1 · 2013 V- 8270 \$ 21 88		Chase Oil 5 1 2012 VB 1161 \$ 256 25 American	Amerada 10 Jor
Southerford (SMI Estately Tolly 15 (4)		Store	Susie Southerland etal ,M.I LEL Col Co ,(SJEM)	TO TIPES TO TIP	WE TOSS, etal MI 1/2 DIAL 17 53 Jack Line (SIE MI
LEL Cal Co.(S) LEL Cal Co. (S) Vales Pet ato: Yales Pet etal 5 1 2011	Yates Pet etal Yates Drig etal	SamsonRes Hamone	Chase Oil	Chase Oit	
B 17 2010 (Chesapeake)	VA 3089 105219	51819 Side Fried Fried Side Fried	115.22	5 1 2012 V8 1162 250 29	Yates Pet, etal 5 1 2012 VB 1153 57 b.7 PORATION Sporter
Bold Ener	(Chesopeoke)	7 2013 V-8300 128%	Į (ES PETROLEUM COR Golly BRG Federal	
3000 F 100	1	16		FSL and 1000' FEL Sec	
El Esperatura Ela Mallyas L. Kidd M. i			6.0. Alman. Ru Town	FSL and 330' FEL Sect aship 16South-Range 32	East Errhih E Ter
Suze Southerland, etal., M.I.	State PFG Goff, (S)	Store P4 6 Goff (5)	P4G Goff.(5)	Eddy County, New M	
7 1 · 95 61359	Samson Kesk 7 1 2011 VB-955 23+12 (Chesapeake)	Tates Pet, pict Samson Resc 1 27,018 7 201 £/2. 160 ∞ V8 956 218 ₹£	7: 1 2011 7: 1 2011 8: 357 225 528 Y 2011 9: 3 2011	Paradin Ener etal	3 80 8 9439 8 2 7011
COPPA 7 Mary Vandiver 7-1 95 42813 U.S.M. 1 WE Friendest, etaling Rebal Lucal(S)	Conesupcanto	Samson Fed)	32	"Coleman W. Rabinson" *** W.E. Mathers (s)	Gulf Fowha 1 10104 1 10104 1 10104
R Miles	20	Yates Pet etal 121478	22	(Aporthe IVR) Healting	Rhombuskhomous 2 Yates Pet a
6 1 2011 V8 914 2577 <u>8</u>	E.J. Jomes,	8	So Pet. Y4 Mi Beliwether	Lonexco Majer To 10,775 JA310	EGL Res Beat E. As Moore TDIO.678
State	State PEG Gaff, (S)	িন্তাল (৪) ১৯/৪ (৪) ১৯/৪ ১৯ ১৯/৪ ১৯/৪ ১৯ ১৯/৪ ১৯/৪ ১৯/৪ ১৮/৪ ১৮/৪ ১৮/৪ ১৮/৪	Stote PAGGoff,(5) WE Mothers (5)	Alle M Lee, et al (127)	SP Johnson Paul Mamil.
DJ. Schutz DJ Schutz 5 1 2011 S 1 2011 5 48 894	D J Schutz 5 vs 1 902 2011	DJ Schutz Rockpointe 5 1 2011 2 6 2011(E/2) 12 18 2011(E/2)	Yates Pet., etal		Rhombus I
\$ 8 18 75	\$ 756 <u>25</u> 0	\$100143	νθ- 926 ιs <u>ν</u>	Frenchur State State To 10713	Samedan
از مدی <i>ه به</i> 3O	59-, were / suo, -	28		State Synray Synray State Synray Synray State Synray Synr	John H Meers, etal
Tunk 7	D J Schutz 5 1 2011 9 893 \$1,602 27 01440 Name		C.W Bolin 6 1 2011 VB 915 21252	D/A7 23.52 Chose Oil 1 · 1 · 2012 VB 1080 \$110 22	11 4337 17 1 2011 11 4325 11 4337 17 1 2011 11 1927
State (State) 12 11 0 0		State P&G Goff.(S)	State PEGGOTTOTSIZ	\$ 110 22	78 9752 257 77 Abs 1190 Fond 9610 5/2 96 819 State 9610 5/2 96 819 State 9610
70 Yates Pet, etal Yates Pet, etal 2011	Yates Pet. etal Yates Pet etal	Yates Pet etal Yates Pet etal 4 1 2011 4 1 2011 VB 884 VB 874	C Wellalia + Yates 2et etal	Muse O o G	Thesopeake 7 9 2010 Rubicon 9 7 2009 10 1 2014
4 VB 972 VB 682	VB 883 VB 873 406 25 387 87	VB 894 VB 874 VB	71 2011 6 2011 V8 916 V8 927 212 50 ISL3	9 2014	JPH Oil V 8559
aua r 3	 	33	. 	COG Oper HCP: 35 St -1011020 OMS 18 05 - 35	36 Elk 011 36 Bagky-
		Terest &	Imile By	'. Ø' Wise O & G 9 1 2014 V 8534	EIN OII
Tunk of Samo	TD 12,000 Store (1ambier	#1247.e. (wo) Sector	Stote	550 <u>22</u> State FOINT! State DA41752	LIXOUMI (A) Booky-51
Yates Pet, etal Yates Pet etal	Yotes 20 ctal		WAL HELVE KAVE THEE		Racting S Lind (Cat 15)
207,84 402.87		Krilys Amerado	Samson Resc 1 - 1 - 2012	Ø1 87 Wise Sish Exp O e G Sish Exp O e G Sish Exp O 1 2014 Shelly VØ 1736 Sector Sish Exp ZO7 © Tilloh	J 8ar Cane 6 2014 78 602 \$105, 60
4-00 Jergs 100 Jergs 100 Jergs 100 Jergs 100 Jergs	(No. 11 e St Rubinon 1 sce W. 10 (126) - 1 2012	Amerada 70 30 5 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	[CAPE	15/0.32 (IT	1-BA State 201 Paladin's
O O O	Texas Rubicum Yates Pet	VB 1083(W2)	Texaco St of NM	Wise 11 ECA 'ST DJ'	Borm and San San
Tirade 7 Till 1990	ا 'آوا ا	TARRANIA MARA	Ameroda TDIISI8 57 500 0/A12 20-53 EI 4304 57 50 48 18 18 18 18 18 18 18 18 18 18 18 18 18	American FECD American Stroke	Pellwether & Pure of Pellwethe
Lee Cottle Co (5)	Chesopone Oper Lucky Lorry (wo) State MI. Pt G Goff. (S)	Stare, MI P & G Goff, (S)	PEG Gatt. (S) State	10 11336 PEG Goff (S) 562 27	("Tenneco-Sunshine 3 Bellwerher \$ 7 E Pure '44M1 Chambers Trush end, 1459, act Rockurs L. & Coulds
Yotes Pet , etal 2011 VB 886 803 22	Sylves (A) Miles 182.89	Somson Resc 1 2012 - 1 2	Chase Oil 5015	Poladin Ener Poladin Energial 4 (7/A) (6/0) (7/B) (6/0) NCT 1 8-10141	Show Int 4-16 2013 (NZ) \$1 Williams etal Va.M. Julia Cub. etal 8
√1 2m	Mulphy Rubicon (2012 Control of the	<i>Buody</i> T011265	TD10700 IWLovelody St E/A	1 30 6	r
7 10 3150	8- (Doko	Rubicon 9 - Amerado 64 4394	(Ameroda) (Ecg.) 9 BHL ————————————————————————————————————	Matador Paladin	Beliwether E. Pure Y8 M Chambers Tr etal Y2(S)MJ Julia Culf Mediu 12 Yates Pet etal
**************************************	Disc lady Fried	V6: 10.97	Chase Oil 1 · 1 · 2012 V8·1085 9 2014 V8·1085 9 2014	GEORGE BB (Texacc) Texacco Gross-St BB (Texacc) Texacco Texacc	Ash Expl
g, , ,	Dalco etal 34 8 State HBP TD3015 K6528 P DA1155	State	Store, MI .d'	O & G ATTHEROOD FT	Lighenty Cochroir, etal, MI TD 2008 D L Fullingim, etal, (S)
State M Lee Cottle Co (S)	Store PAG Saft (5)	P4 G GOTT. (.51)			
State MI Lee Cottle Co (5) Wern / Yotes Pet alal Yates Petetol	Chesopeake	P46 Goff, (5) Wise O & 6 9 1 2014 407 \$216	P & G Goff (S) Conson Chevron Chevron P & P & P & P & P & P & P & P & P & P	5191e OL Fullingun, etal 251 Paladin Ener, 4184 3.3 400 erol-A	Yates Pet, etal Yates Pet, et
State MI Lee Cottle Co (5) With the Petalal Table Tools VISES MAN 710152 STATE MINISTRATION TO THE PETALAGE MINISTRATION	Chesopeake 5 2009 94 125 261 22 Wise 0 & 6	Wise O & 6 9 1 2014 9 1 2017 17 (Sunray 10316) 265 22 DX eto[LMAX 0.14	°c mson	(Texaco) Wise D B G Specific	Yates Pet, etal Yates Pet, eta
State MI Lee Cottle Co (S) WITH / Yutes Pet alal Yates Patetol Type 2006 1 2006	Chesopeake 5 2009 VA 3125 262 29		Canson 1 2012 Chevron 1 1006 - HB.P.	(Texaco) Wise 0 86 9,1 2014 Tofrs Orig	Yates Pet, etal Yates Pet, eta 7 11 2012 7 11 2012 Ash Expl

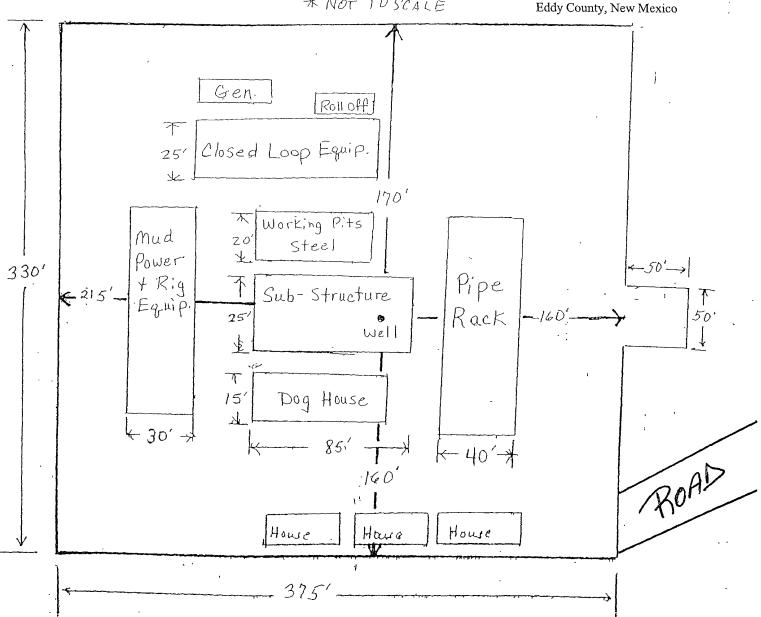


Yates Petroleum Corporation
Location Layout for Permian Basin

Closed Loop Design Plan

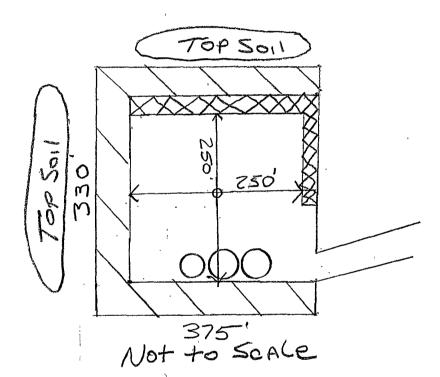
YATES PETROLEUM CORPORATION Golly BRG Federal #1H 550' FSL and 1000' FEL Section 34 SHL 940' FSL and 330' FEL Section 35 BHL Township 16South-Range 32East Exhib C

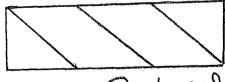
* NOT TU SCALE



YATES PETROLEUM CORPORATION Golly BRG Federal #1H RECLAMATION PLAN

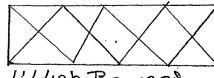






Reclamed

AREA.



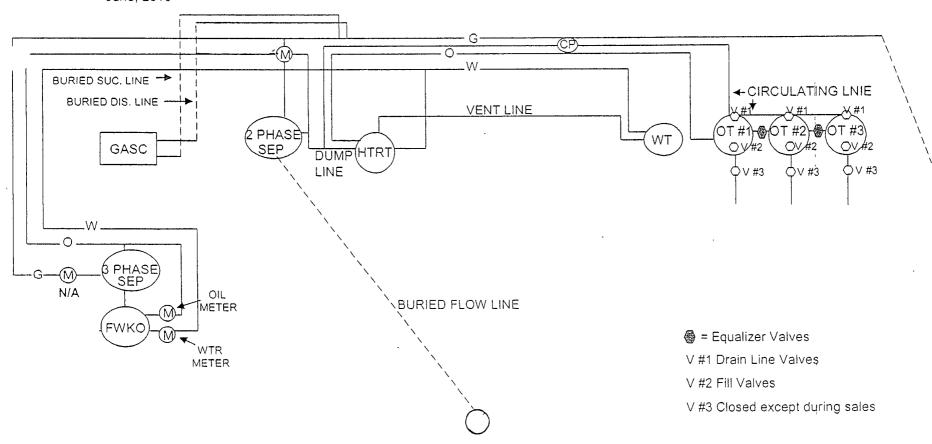
l'High Berned Aren.

Á



105 South 4th Street * Artesia, NM 88210 (575)-748-1471

-Danny Matthews June, 2010



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM