

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NM-103594

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1914' FNL and 940' FWL Surface Hole Location

1980' FSL and 660' FWL Bottom Hole Location

Section 19, T22S-R24E

8. Well Name and No.

Koonunga Hill BGX Federal #2

9. API Well No.

30-015-35228

10. Field and Pool, or Exploratory Area

Undes. Mc Iver Ranch Morrow

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Amend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Use
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Plan

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation wishes to amend the surface use plan for the captioned to include the following:

Change to bottom hole location from 1980' FNL and 660' FWL to 1980' FSL and 660' FWL. See attached C-102.

The surface hole location will remain the same at 1914' FNL and 940' FWL.

Please note attached directional drilling plan. Also note changes to casing, cement, and mud programs.

SUBJECT TO  
LIKE APPROVAL  
BY STATE

APPROVED

MAY - 1 2006

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cy Cowan

Title

Regulatory Agent

Signature

Date

April 20, 2006

GARY GOURLEY  
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DISTRICT I  
1826 N. French Dr., Hobbs, NM 88240

DISTRICT II  
211 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30.015.35228

API Number	Pool Code	Pool Name
		Undesignated Mc Iver Ranch Morrow
Property Code	Property Name	Well Number
	Koonunga Hill BGX Federal	2
OGHD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3883'

Surface Location

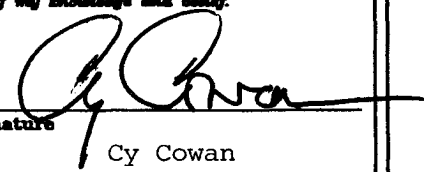
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	22S	24E		1914'	North	940'	West	Eddy

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	22S	24E		1980'	South	660'	West	Eddy

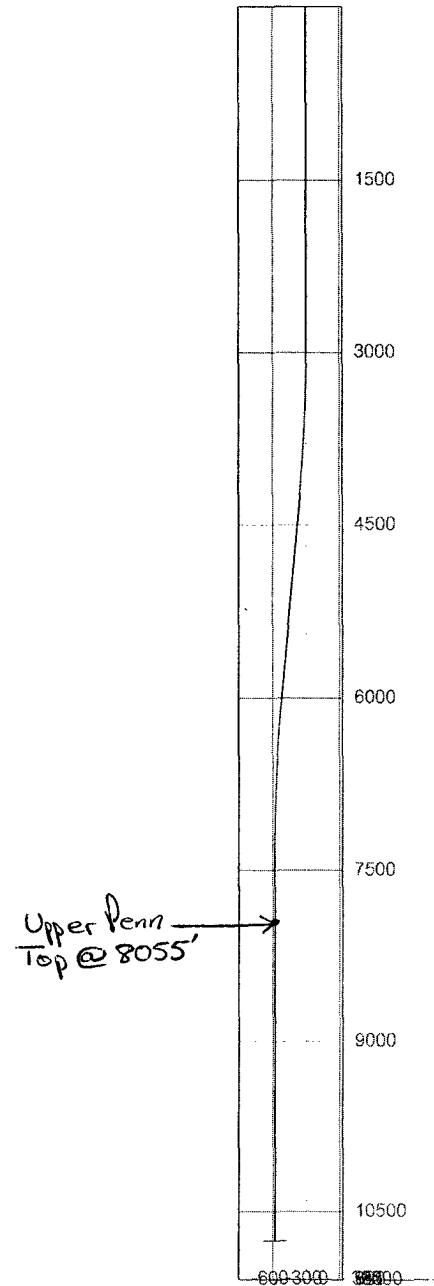
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Nm-103594		OPERATOR CERTIFICATION	
1914'		I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
940'		Signature  Cy Cowan	
Surface Location		Printed Name Regulatory Agent	
660'		Title April 20, 2006	
Bottom Hole Location		Date	
1980'		SURVEYOR CERTIFICATION	
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
		REFER TO ORIGINAL PLAT.	
		Date Surveyed	
		Signature & Seal of Professional Surveyor	
		Certificate No. Herschel L. Jones RLS 3640	
		GENERAL SURVEYING COMPANY	

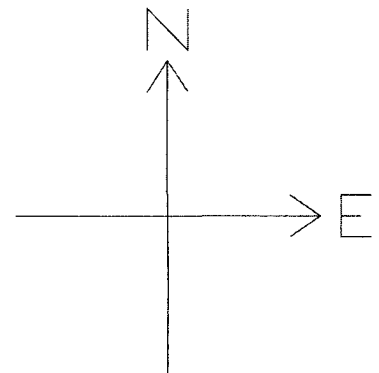
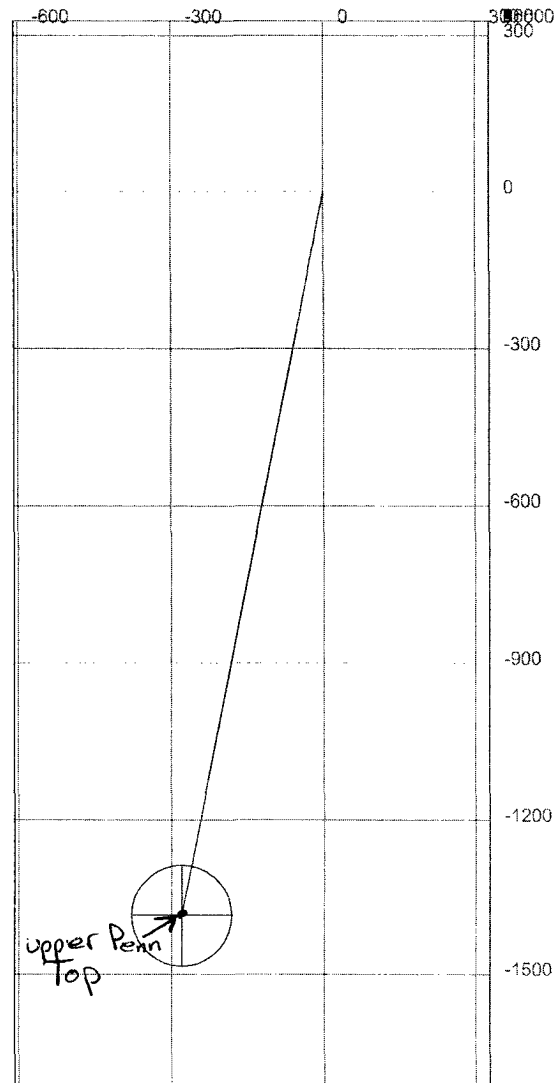
### 3D<sup>3</sup> Directional Drilling Planner - 3D View

Company: Technical Toolboxes Inc.  
Well: Koonunga Hill BGX Federal #2



### 3D<sup>3</sup> Directional Drilling Planner - 3D View

Company: **Technical Toolboxes Inc.**  
Well: **Koonunga Hill BGX Federal #2**



	M.D. [ft]	Inclination [°]	Azimuth [°]	T.V.D. [ft]	N+/S- [ft]	E+/W- [ft]	D.L.S. [°/100ft]	ToolFace [°]	T.F. Ref. [HS/GN]
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2	3000.00	0.00	0.00	3000.00	0.00	0.00	2.00	191	GN
3	3025.00	0.50	191.42	3025.00	-0.11	-0.02	2.00	360	HS
4	3050.00	1.00	191.42	3050.00	-0.43	-0.09	2.00	360	HS
5	3075.00	1.50	191.42	3074.99	-0.96	-0.19	2.00	360	HS
6	3100.00	2.00	191.42	3099.98	-1.71	-0.35	2.00	360	HS
7	3125.00	2.50	191.42	3124.96	-2.67	-0.54	2.00	0	HS
8	3150.00	3.00	191.42	3149.93	-3.85	-0.78	2.00	0	HS
9	3175.00	3.50	191.42	3174.89	-5.24	-1.06	2.00	0	HS
10	3200.00	4.00	191.42	3199.84	-6.84	-1.38	2.00	360	HS
11	3225.00	4.50	191.42	3224.77	-8.66	-1.75	2.00	360	HS
12	3250.00	5.00	191.42	3249.68	-10.69	-2.16	2.00	360	HS
13	3275.00	5.50	191.42	3274.58	-12.93	-2.61	2.00	360	HS
14	3300.00	6.00	191.42	3299.45	-15.38	-3.11	2.00	360	HS
15	3325.00	6.50	191.42	3324.30	-18.05	-3.65	2.00	0	HS
16	3350.00	7.00	191.42	3349.13	-20.93	-4.23	2.00	0	HS
17	3375.00	7.50	191.42	3373.93	-24.02	-4.85	2.00	360	HS
18	3400.00	8.00	191.42	3398.70	-27.33	-5.52	2.00	0	HS
19	3425.00	8.50	191.42	3423.44	-30.84	-6.23	2.00	0	HS
20	3450.00	9.00	191.42	3448.15	-34.57	-6.98	2.00	0	HS
21	3475.00	9.50	191.42	3472.83	-38.51	-7.78	2.00	0	HS
22	3500.00	10.00	191.42	3497.47	-42.66	-8.62	2.00	0	HS
23	3525.00	10.50	191.42	3522.07	-47.02	-9.50	2.00	0	HS
24	3550.00	11.00	191.42	3546.63	-51.59	-10.42	2.00	0	HS
25	3575.00	11.50	191.42	3571.15	-56.37	-11.39	2.00	0	HS
26	3600.00	12.00	191.42	3595.62	-61.36	-12.40	2.00	360	HS
27	3625.00	12.50	191.42	3620.05	-66.56	-13.45	2.00	0	HS
28	3650.00	13.00	191.42	3644.44	-71.97	-14.54	2.00	0	HS
29	3675.00	13.50	191.42	3668.77	-77.59	-15.67	2.00	360	HS
30	3700.00	14.00	191.42	3693.06	-83.41	-16.85	2.00	0	HS
31	3725.00	14.50	191.42	3717.29	-89.44	-18.07	2.00	0	HS
32	3750.00	15.00	191.42	3741.46	-95.68	-19.33	2.00	360	HS
33	3775.00	15.50	191.42	3765.58	-102.13	-20.63	2.00	0	HS
34	3800.00	16.00	191.42	3789.64	-108.78	-21.98	2.00	360	HS
35	3825.00	16.50	191.42	3813.64	-115.64	-23.36	2.00	360	HS
36	3850.00	17.00	191.42	3837.58	-122.70	-24.79	2.00	360	HS

	M.D. [ft]	Inclination [°]	Azimuth [°]	T.V.D. [ft]	N+/S- [ft]	E+/W- [ft]	D.L.S. [°/100ft]	ToolFace [°]	T.F. Ref. [HS/GN]
37	3875.00	17.50	191.42	3861.46	-129.97	-26.26	2.00	360	HS
38	3900.00	18.00	191.42	3885.27	-137.44	-27.76	2.00	0	HS
39	3925.00	18.50	191.42	3909.01	-145.11	-29.32	2.00	0	HS
40	3950.00	19.00	191.42	3932.68	-152.99	-30.91	2.00	0	HS
41	3975.00	19.50	191.42	3956.29	-161.07	-32.54	2.00	0	HS
42	4000.00	20.00	191.42	3979.82	-169.35	-34.21	2.00	0	HS
43	4025.00	20.50	191.42	4003.27	-177.83	-35.92	2.00	360	HS
44	4050.00	21.00	191.42	4026.65	-186.51	-37.68	2.00	0	HS
45	4075.00	21.50	191.42	4049.95	-195.39	-39.47	2.00	360	HS
46	4100.00	22.00	191.42	4073.17	-204.47	-41.31	2.00	360	HS
47	4125.00	22.50	191.42	4096.31	-213.75	-43.18	2.00	360	HS
48	4150.00	23.00	191.42	4119.36	-223.23	-45.10	2.00	0	HS
49	4175.00	23.50	191.42	4142.33	-232.90	-47.05	2.00	0	HS
50	4200.00	24.00	191.42	4165.22	-242.77	-49.04	2.00	0	HS
51	4225.00	24.50	191.42	4188.01	-252.83	-51.08	2.00	360	HS
52	4250.00	25.00	191.42	4210.71	-263.09	-53.15	2.00	0	HS
53	4251.46	25.03	191.42	4212.04	-263.70	-53.27	0.00		
54	6321.79	25.03	191.42	6087.95	-1122.27	-226.72	0.00		
55	6325.00	24.97	191.42	6090.85	-1123.62	-226.99	2.00	180	HS
56	6350.00	24.47	191.42	6113.56	-1133.86	-229.06	2.00	180	HS
57	6375.00	23.97	191.42	6136.36	-1143.91	-231.09	2.00	180	HS
58	6400.00	23.47	191.42	6159.24	-1153.77	-233.08	2.00	180	HS
59	6425.00	22.97	191.42	6182.22	-1163.43	-235.04	2.00	180	HS
60	6450.00	22.46	191.42	6205.28	-1172.89	-236.95	2.00	180	HS
61	6475.00	21.96	191.42	6228.43	-1182.16	-238.82	2.00	180	HS
62	6500.00	21.46	191.42	6251.65	-1191.22	-240.65	2.00	180	HS
63	6525.00	20.96	191.42	6274.96	-1200.09	-242.44	2.00	180	HS
64	6550.00	20.46	191.42	6298.34	-1208.76	-244.19	2.00	180	HS
65	6575.00	19.96	191.42	6321.80	-1217.23	-245.90	2.00	180	HS
66	6600.00	19.46	191.42	6345.33	-1225.49	-247.57	2.00	180	HS
67	6625.00	18.96	191.42	6368.94	-1233.56	-249.20	2.00	180	HS
68	6650.00	18.46	191.42	6392.62	-1241.42	-250.79	2.00	180	HS
69	6675.00	17.96	191.42	6416.37	-1249.08	-252.34	2.00	180	HS
70	6700.00	17.46	191.42	6440.18	-1256.54	-253.85	2.00	180	HS
71	6725.00	16.96	191.42	6464.06	-1263.79	-255.31	2.00	180	HS
72	6750.00	16.46	191.42	6488.01	-1270.84	-256.73	2.00	180	HS

	M.D. [ft]	Inclination [°]	Azimuth [°]	T.V.D. [ft]	N+/S- [ft]	E+/- [ft]	D.L.S. [°/100ft]	ToolFace [°]	T.F. Ref. [HS/GN]
73	6775.00	15.96	191.42	6512.01	-1277.68	-258.12	2.00	180	HS
74	6800.00	15.46	191.42	6536.08	-1284.32	-259.46	2.00	180	HS
75	6825.00	14.96	191.42	6560.20	-1290.75	-260.76	2.00	180	HS
76	6850.00	14.46	191.42	6584.38	-1296.97	-262.01	2.00	180	HS
77	6875.00	13.96	191.42	6608.61	-1302.99	-263.23	2.00	180	HS
78	6900.00	13.46	191.42	6632.90	-1308.80	-264.40	2.00	180	HS
79	6925.00	12.96	191.42	6657.24	-1314.40	-265.54	2.00	180	HS
80	6950.00	12.46	191.42	6681.63	-1319.80	-266.63	2.00	180	HS
81	6975.00	11.96	191.42	6706.06	-1324.98	-267.67	2.00	180	HS
82	7000.00	11.46	191.42	6730.54	-1329.96	-268.68	2.00	180	HS
83	7025.00	10.96	191.42	6755.06	-1334.72	-269.64	2.00	180	HS
84	7050.00	10.46	191.42	6779.63	-1339.28	-270.56	2.00	180	HS
85	7075.00	9.96	191.42	6804.23	-1343.63	-271.44	2.00	180	HS
86	7100.00	9.46	191.42	6828.87	-1347.76	-272.27	2.00	180	HS
87	7125.00	8.96	191.42	6853.55	-1351.68	-273.07	2.00	180	HS
88	7150.00	8.46	191.42	6878.26	-1355.40	-273.82	2.00	180	HS
89	7175.00	7.96	191.42	6903.00	-1358.90	-274.53	2.00	180	HS
90	7200.00	7.46	191.42	6927.78	-1362.19	-275.19	2.00	180	HS
91	7225.00	6.96	191.42	6952.58	-1365.27	-275.81	2.00	180	HS
92	7250.00	6.46	191.42	6977.41	-1368.13	-276.39	2.00	180	HS
93	7275.00	5.96	191.42	7002.26	-1370.78	-276.93	2.00	180	HS
94	7300.00	5.46	191.42	7027.14	-1373.22	-277.42	2.00	180	HS
95	7325.00	4.96	191.42	7052.03	-1375.45	-277.87	2.00	180	HS
96	7350.00	4.46	191.42	7076.95	-1377.47	-278.28	2.00	180	HS
97	7375.00	3.96	191.42	7101.88	-1379.27	-278.64	2.00	180	HS
98	7400.00	3.46	191.42	7126.83	-1380.86	-278.96	2.00	180	HS
99	7425.00	2.96	191.42	7151.79	-1382.23	-279.24	2.00	180	HS
100	7450.00	2.46	191.42	7176.76	-1383.39	-279.47	2.00	180	HS
101	7475.00	1.96	191.42	7201.74	-1384.34	-279.66	2.00	180	HS
102	7500.00	1.46	191.42	7226.73	-1385.07	-279.81	2.00	180	HS
103	7525.00	0.95	191.42	7251.73	-1385.59	-279.92	2.00	180	HS
104	7550.00	0.44	191.42	7276.72	-1385.90	-279.98	2.00	180	HS
105	7573.28	0.00	11.31	7300.01	-1385.99	-280.00	2.00	11	GN
106	11023.28	0.00	180.00	10750.00	-1386.00	-280.00	0.00		

# YATES PETROLEUM CORPORATION

## Koonunga Hill BGX Federal #2

1914' FNL and 940' FWL Surface Location  
1980' FSL and 660' FWL Bottom Hole Location  
Section 19-T22S-R25E  
Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Capitan	585'	Base on Dolomite	9038'
Cherry Canyon	1605'	Strawn	9358'
Brushy Canyon	2335'	Atoka	10148'
Bone Spring Lime	4025'	Upper Morrow	10553'
1st Bone Spring Sand	4442'	Middle Morrow	10598'
2 <sup>nd</sup> Bone Spring Sand	5502'	Lower Morrow	10798'
3 <sup>rd</sup> Bone Spring Sand	7598	Base of Morrow	10888'
Wolfcamp	7898	MVD	11023'
Cisco-Canyon Dolomite	8328'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 60'  
Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 5000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

### Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

### A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8"	48#	H-40	ST+C	0-1500'	1500'
12 1/4"	9 5/8"	36#	J-55	ST+C	0-2700'	2700'
8 3/4"	7"	26#	HCP	LT+C	0-1900'	1900'
8 3/4"	7"	26#	L-80	LT+C	1900'-9200'	7300'
8 3/4"	7"	26#	HCP	LT+C	9200'-11023' MVD	1823'

If lost circulation is encountered in the Canyon Formation 7" casing will be set to approximately 9150'. Hole size will be reduced to 6 1/8" and 4 1/2" casing will be set to TD.

Yates Petroleum Corporation requests a variance to install a rotating head on the surface casing strings when intermediate casing will be set. If a BOP system is required then we wish to install a 2M system and receive a variance to test the system to 1000# using the rig pumps. The test will be held for 30 minutes on each system component. Components to be tested include pipe rams, blind rams, and annular preventer.

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

4/20/06



**B. CEMENTING PROGRAM:**

Surface casing: Lead with 900 sx "C" Lite (YLD 2.0 WT 12.5) Tail in with 200 sx "C" + 2% CaCl<sub>2</sub> (YLD 1.34 WT 2.0).

Intermediate casing: Lead with 250 sx "H" + 1% CaCl<sub>2</sub> (YLD 1.50 WT 14.6). Lead with 550 sx "C" Lite + 1% CaCl<sub>2</sub> (YLD 1.96 WT 12.5). Tail with 200 sx "C" + 2% CaCl<sub>2</sub> (YLD 1.34 WT 14.8).

Production casing: Stage I: Lead with 600 sx Super "C" Modified (YLD 1.60 WT 13.0).

Production casing: Stage II: Lead with 1150 sx "C" Lite (YLD 1.95 WT 12.5). Tail with 100 sx "H" (YLD 1.18 WT 15.6).

**5. Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-2700'	Air Mist	0	0	N/C
2700'-8328'	Fresh Water	8.4	28	N/C
8328'-9573'	Fresh Water	8.4-8.5	33-35	<20
9573'-10073'	Cut Brine	9.4-9.5	3.4-3.6	N/C
10073'-11023'	Salt Gel/Starch/4%-6% KCL	9.5-9.8	3.4-3.6	<12

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

**6. EVALUATION PROGRAM:**

Samples: 10' samples from intermediate casing to TD.

Logging: Platform Express HRLA/NGT/FMI

Coring: None anticipated.

DST's: Possible from Wolfcamp to TD.

**7. Abnormal Conditions, Bottom hole pressure and potential hazards:**

Anticipated BHP:

From: 0	To: 400'	Anticipated Max. BHP	175 PSI.
From: 400'	To: 2700'	Anticipated Max. BHP	1180 PSI.
From: 2700'	To: 10750'	Anticipated Max. BHP	5475 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: Possible Canyon.

H<sub>2</sub>S Zones Anticipated: Possible in Canyon.

Maximum Bottom Hole Temperature: 178 F.

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

4/20/06

# **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Petroleum Corporation**

**Koonunga Hill BGX Federal #2**

1914' FNL and 940' FWL Surface Location

1980' FSL and 660' FWL Bottom Hole Location

Section 19-T22S-R25E

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 wellsite is located approximately 13 miles southwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

## **DIRECTIONS:**

Go north of Carlsbad on Highway 285 for approximately 9.5 miles to Waterhole Road. Turn right on Waterhole Road and go approximately 9.2 miles. Turn left here and follow lease road for approximately .8 of a mile to Nearburg's McKittrick 24 Federal #1 well. Continue south past the #1 well going south to the McKittrick 24 Federal #2. From the northeast corner of the #2 well pad a new portion of road will be built going south for approximately 400 feet to an old two track road. Turn left here on the two track and go approximately .2 of a mile to a cattle guard. Cross cattleguard and follow two track road for approximately .1 of a mile. The new road will start here going southeast up the hill to the northwest corner of the proposed well pad.

## **2. PLANNED ACCESS ROAD**

The new access road will be approximately .1 of a mile in length from the point of origin to the northwest corner of the well pad.

## **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.
- 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.

4/20/06