

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Rider BRQ Federal #2H
330' FSL & 660' FWL, Surface Hole
660' FSL & 330' FEL, Bottom Hole
Section 13-T25S-R34E
Lea County, New Mexico

HOBBS OCD

MAY 08 2012

RECEIVED

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 38 miles west and north of Jal, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS: From Jal, NM head west on State highway 128 towards Loving continue west for approximately 13.8 miles. At the intersection of highway 128 and county road 2 (Battle Axe Road) turn left and continue on CR 2 (Battle Axe) for approximately 5.2 miles. Turn left here onto a lease road, and continue east by south east for approximately 2 miles. Location will be on your left approximately 50' to the north.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 50' 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 no 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 are no production facilities are located in the area 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 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.

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5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a brine 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, the closed loop mud system, location of the drilling equipment, rig orientation and access road approach. The proposed well location will be approximately 330' x 375'. 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.

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11. SURFACE OWNERSHIP:
Federal Lands under the supervision of the Carlsbad BLM. .
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
Rider BRQ Federal #2H

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 the 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 25 day of January 2012

Signature 

Name Travis Hahn

Position Title Land Regulatory Agent

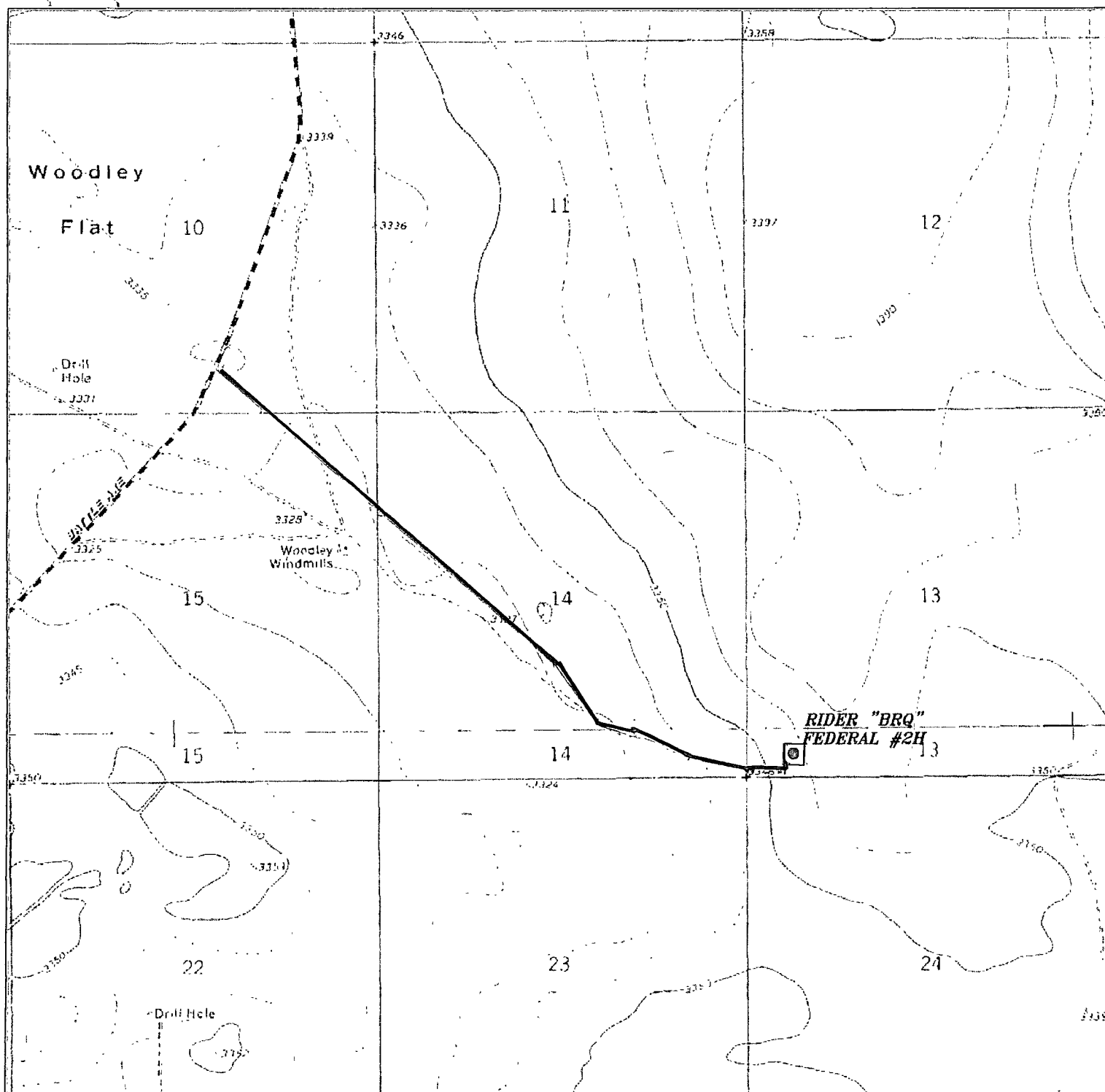
Address 105 South Fourth Street, Artesia, New Mexico 88210

Telephone (575) 748-4120

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above

Telephone (if different from above) (575) 748-4221



RIDER "BRQ" FEDERAL #2H
 Located 330' FSL and 660' FWL
 Section 13, Township 25 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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 in the oilfield

P.O. Box 1785
 1120 N. West County Rd.
 Hobbs, New Mexico 86241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 25732

Survey Date: 11-21-2011

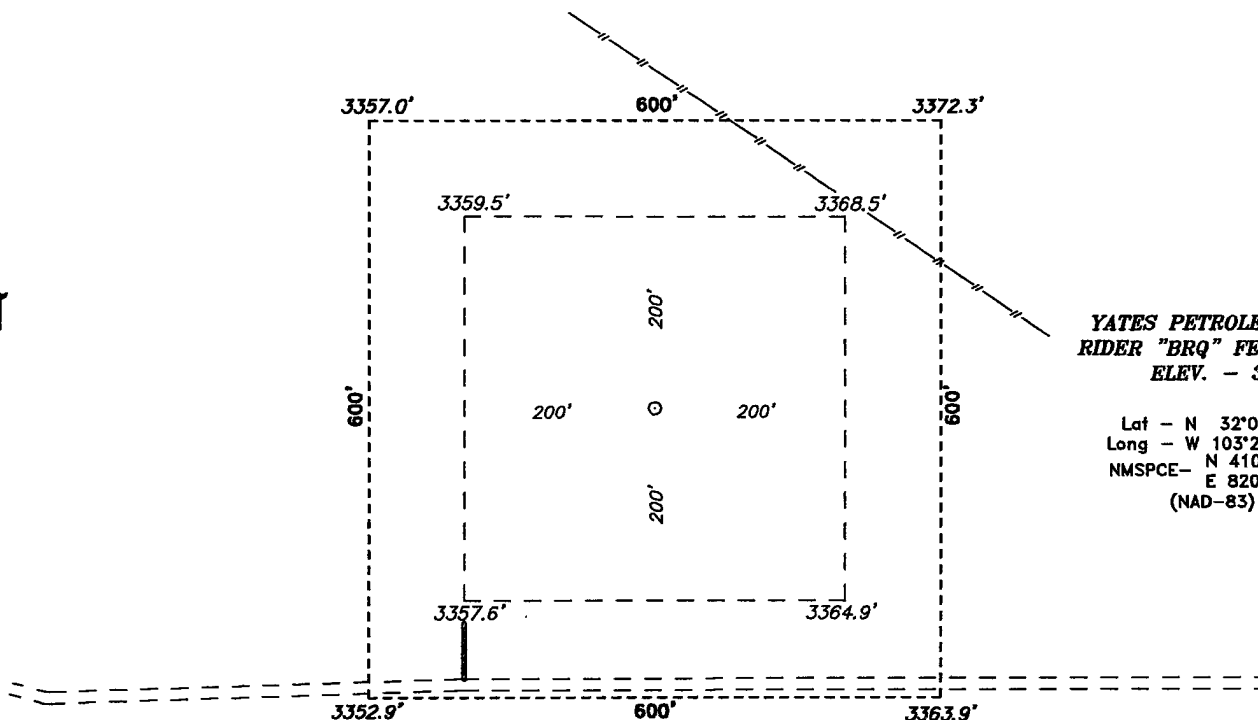
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Date: 11-28-2011



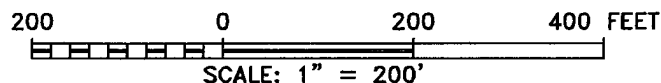
YATES
PETROLEUM
CORP.

SECTION 13, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



YATES PETROLEUM CORP.
RIDER "BRQ" FEDERAL #2H
ELEV. - 3364'

Lat - N 32°07'26.82"
Long - W 103°25'48.26"
NMSPCE- N 410062.075
E 820964.711
(NAD-83)



YATES PETROLEUM CORP.

REF: RIDER "BRQ" FEDERAL #2H / WELL PAD TOPO

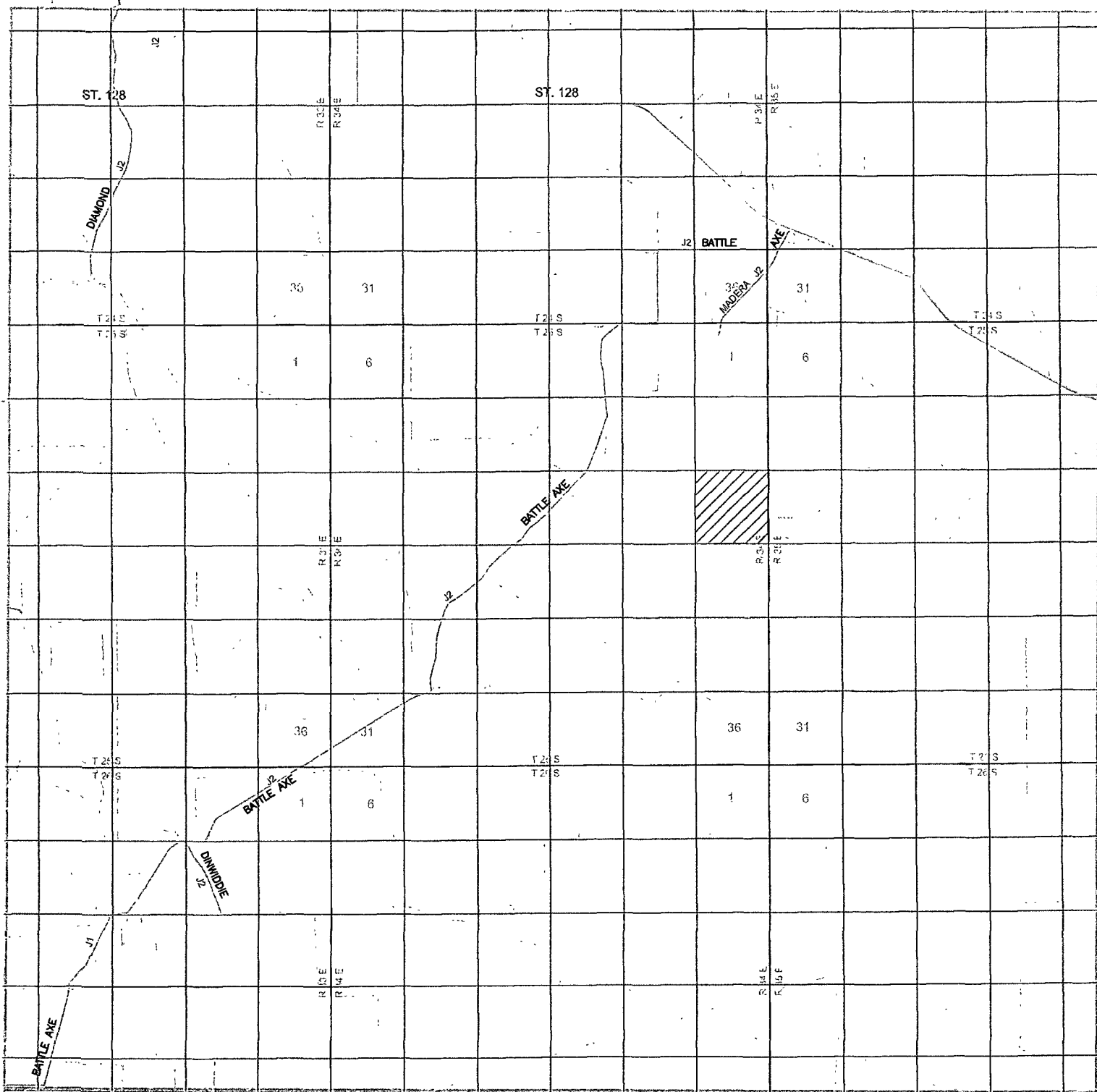
THE RIDER "BRQ" FEDERAL #2H LOCATED 330'
FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF
SECTION 13, TOWNSHIP 25 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 25732 Drawn By: J. SMALL

Date: 11-28-2011 Disk: JMS 25732

Survey Date: 11-21-2011 Sheet 1 of 1 Sheets



RIDER "BRQ" FEDERAL #2H
 Located 330' FSL and 660' FWL
 Section 13, Township 25 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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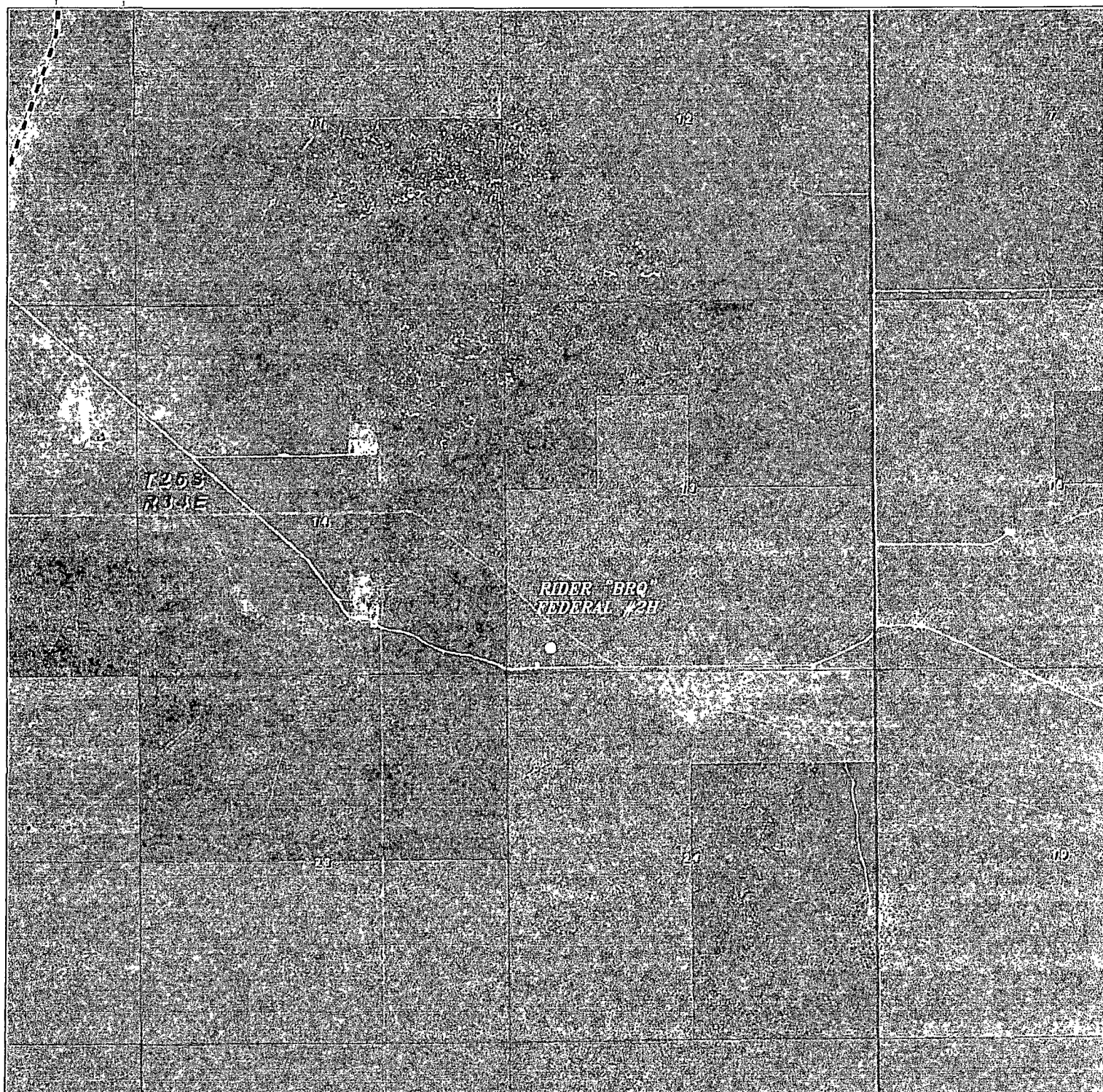
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Scale: 1" = 2 Miles

Date: 11-28-2011



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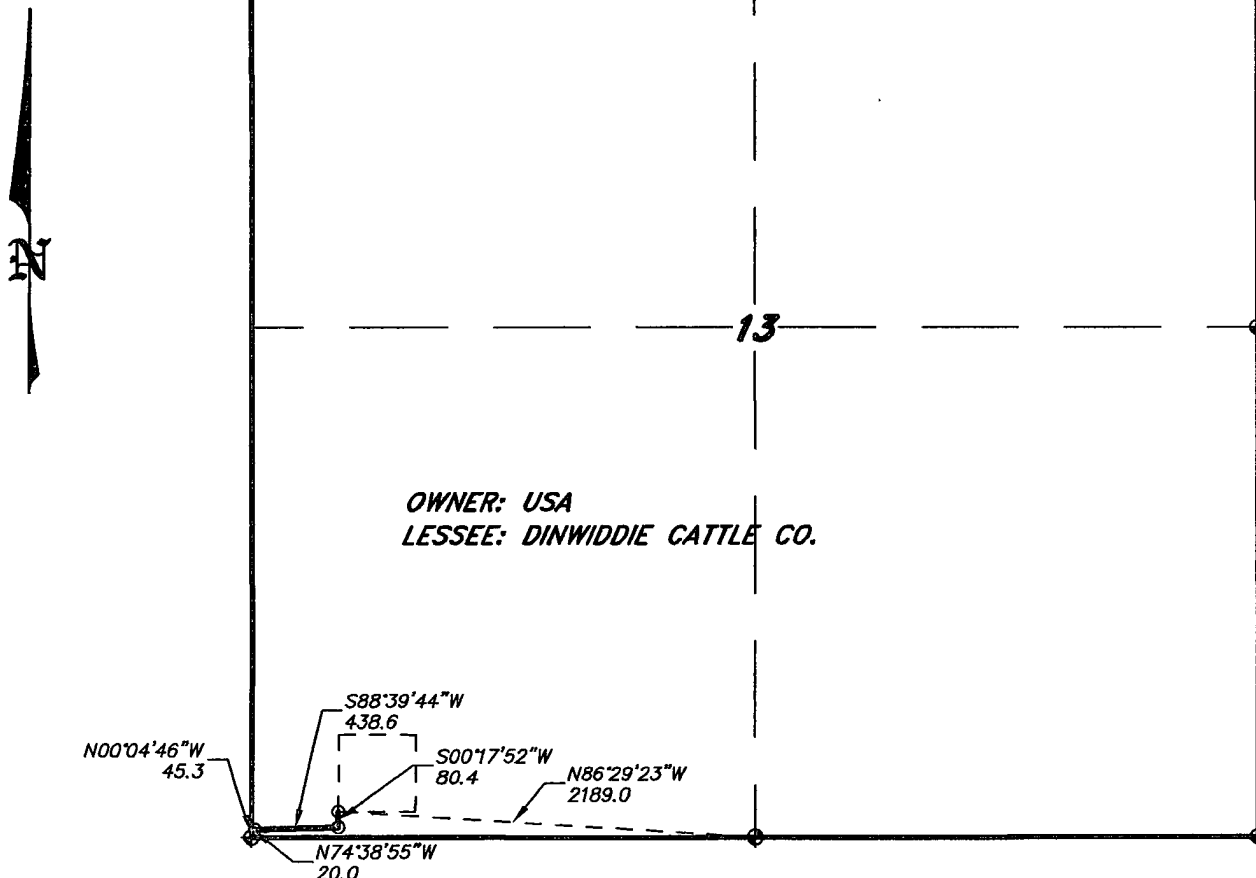
W.O. Number JMS 25/32

Scale: 1" = 2000

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FED LAND

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SECTION 13, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



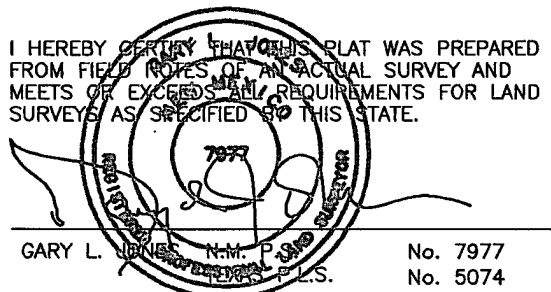
OWNER: USA
LESSEE: DINWIDDIE CATTLE CO.

LEGAL DESCRIPTION

A STRIP OF LAND 20.0 FEET WIDE, LOCATED IN SECTION 13, TOWNSHIP 25 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 10.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

SECTION 13 = 539.0 FEET = 32.67 RODS = 0.10 MILES = 0.25 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES N.M. P.S. No. 7977
LEA COUNTY, N.M. No. 5074

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 25732 Drawn By: J. M. SMALL

Date: 11-28-2011 Disk: 25732

1000 0 1000 2000 FEET

YATES PETROLEUM CORP.

REF: PROP LEASE ROAD TO THE RIDER "BRQ" FEDERAL #2H

A LEASE ROAD CROSSING USA LAND IN
SECTION 13, TOWNSHIP 25 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 11-21-2011 Sheet 1 of 3 Sheets