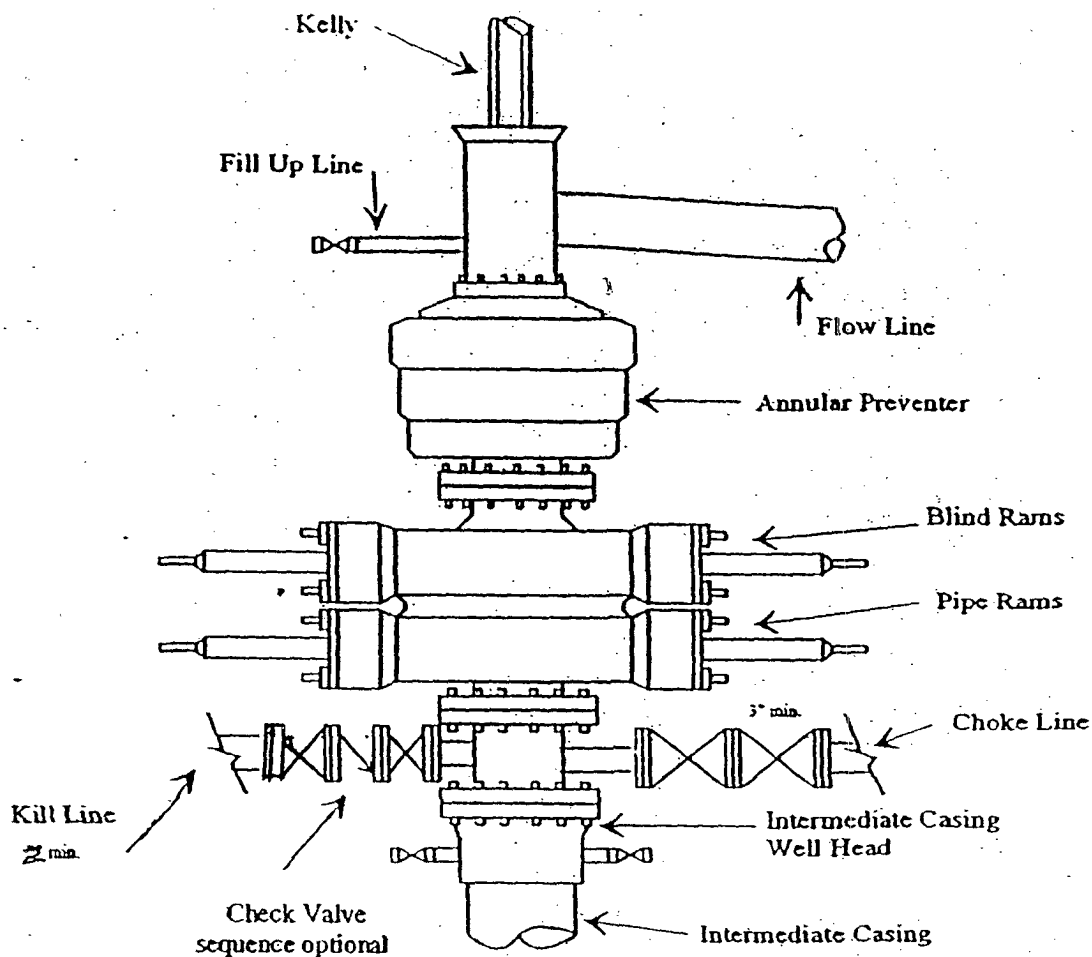


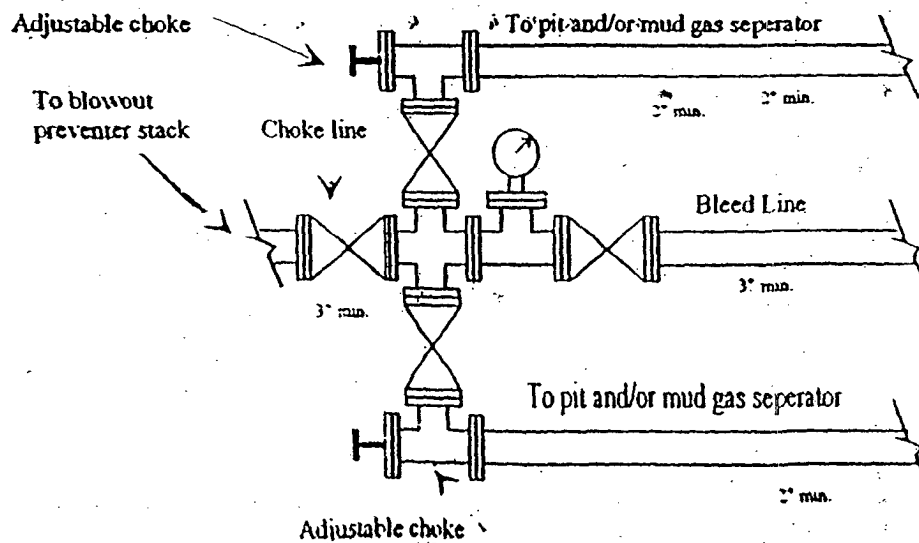
**Yates Petroleum Corporation**  
 Typical 3,000 psi Pressure System  
 Schematic  
 Annular with Double Ram Preventer Stack

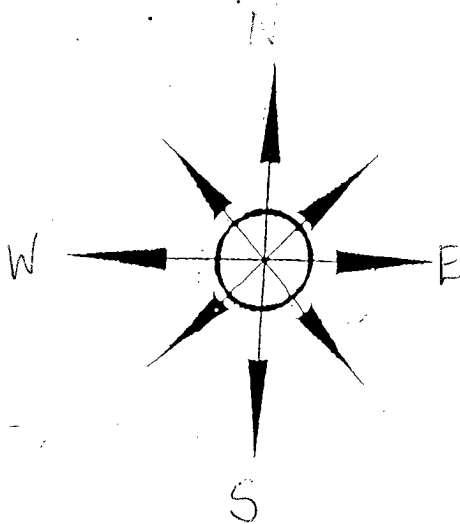
BOP-3

30-005-64138



Typical 3,000 psi choke manifold assembly with at least these minimum features

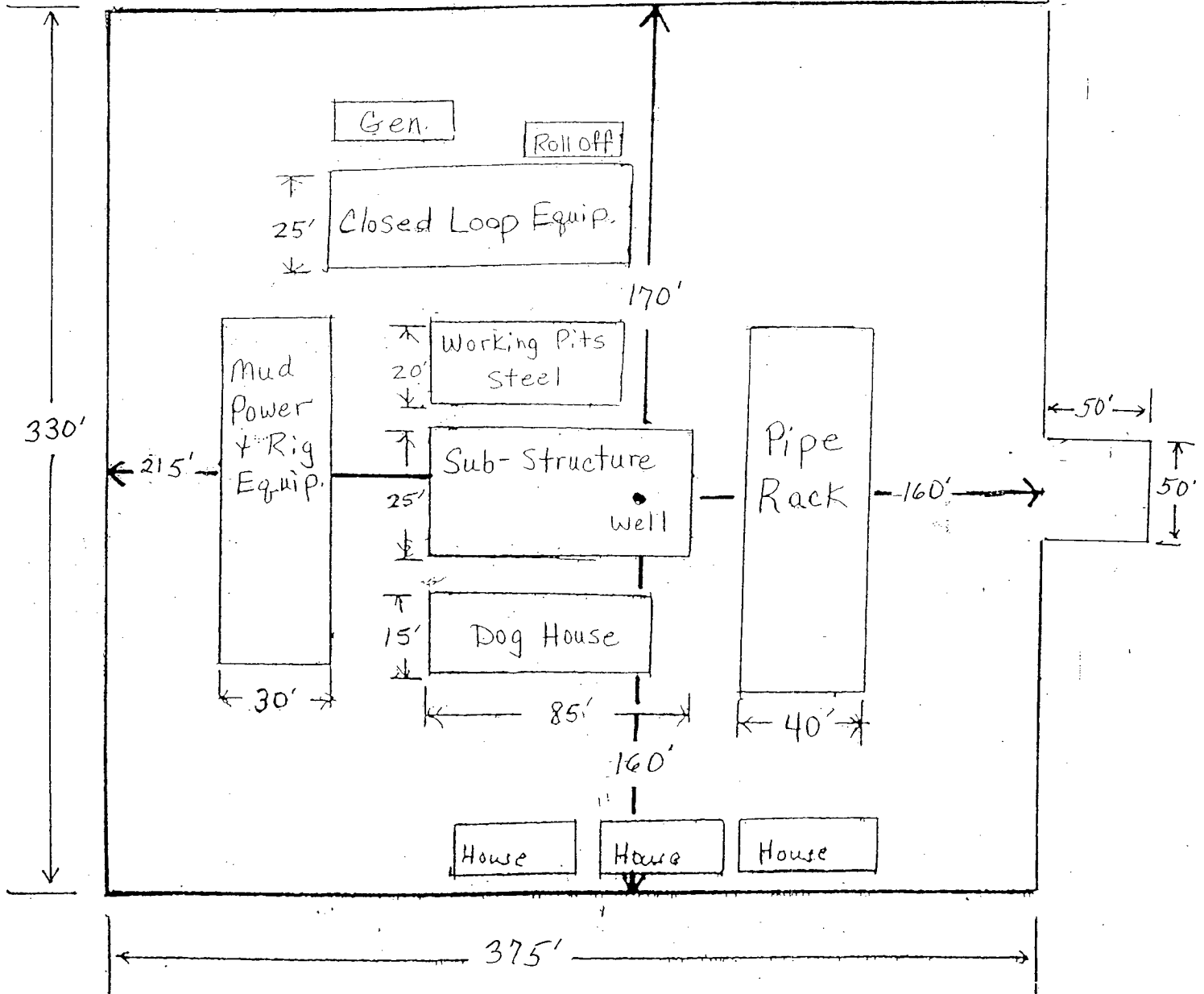




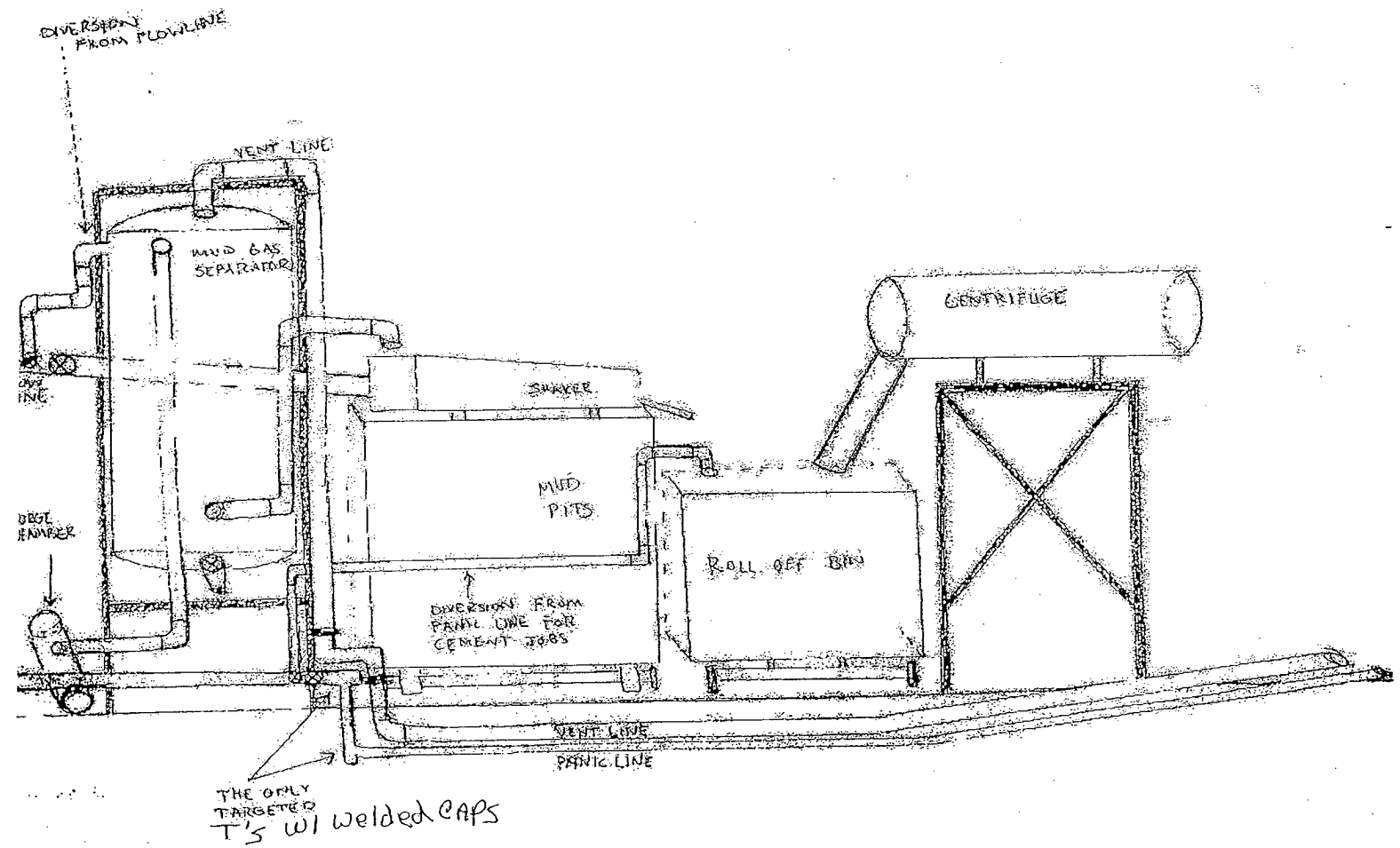
Yates Petroleum Corporation  
Location Layout for Permian Basin

Closed Loop Design Plan

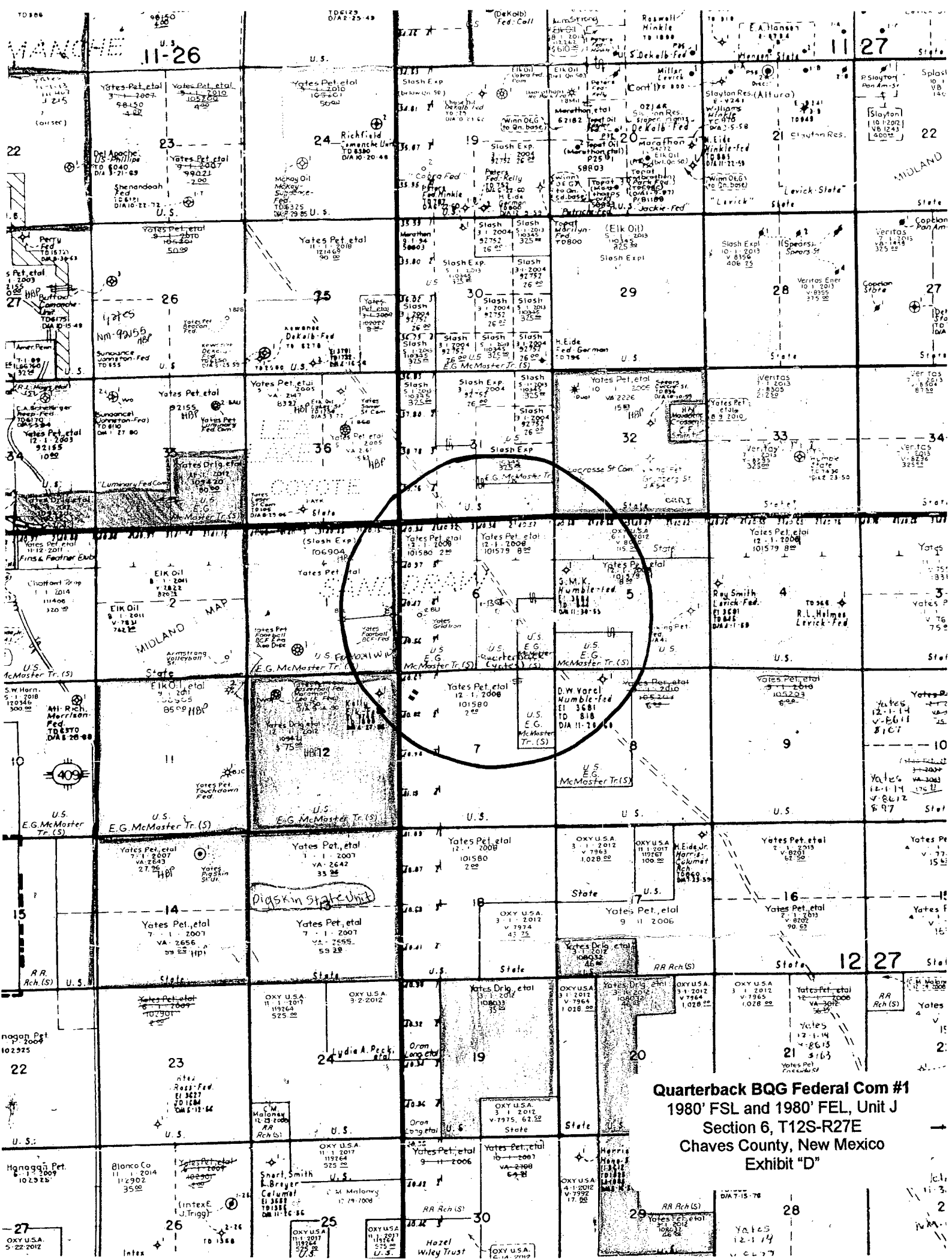
\* NOT TO SCALE



YATES PETROLEUM CORPORATION  
Piping from Choke Manifold  
to the Closed-Loop Drilling Mud System



Quarterback BQG Federal Com #1  
1980' FSL and 1980' FEL, Unit J  
Section 6, T12S-R27E  
Chaves County, New Mexico  
Exhibit "C-1"



**Quarterback BQG Federal Com #1**  
**1980' FSL and 1980' FEL, Unit J**  
**Section 6, T12S-R27E**  
**Chaves County, New Mexico**  
**Exhibit "D"**

YATES PETROLEUM CORPORATION

Quarterback BQG Federal Com #1

1980' FSL and 1980' FEL, Unit J

Section 6, T12S-R27E

Chaves County, New Mexico

Plans for Interim and Final Surface Reclamation.

1. Well location will be contoured to resemble the original topography as closely as possible. Surface reclamation measures will be taken to avoid new erosion on the well location and the area surrounding the well location. These measures will be overseen by Yates' personnel following a structured plan for the reclamation of each individual site.
2. Major drainage systems will be avoided as determined at the onsite with the BLM. Minor drainages may be rerouted around the well site within the 600' x 600' cleared area to avoid moving the well location.
3. Segregation of topsoil or like soils will be placed in low lift rows rather than in a stockpile just off the caliche well pad. Placement of these lift rows will be determined at the BLM onsite or at the time of construction by Yates Personnel.
4. Yates will use prudent oil field practices when constructing well locations and related facilities. Yates personnel will determine the size of the well location needed for safe working conditions for personnel during all aspects on the drilling and production process.
5. Back fill requirements for above ground reserve pits will be met by using cut, fill, and contouring of available top soil and like soils from the pit area. Should additional material be needed it will be brought in from a BLM approved source.
6. All topsoil will be spread over the area reclaimed during interim reclamation using a front end loader. For final reclamation enough topsoil will be evenly distributed between the interim reclaimed area and the final reclaimed area. This method of soil stabilization should help maintain the productivity and viability of the topsoil.
7. Soil treatments will be determined at the time of final reclamation by Yates' Environmental Specialist or other designated personnel to meet BLM final reclamation goals.
8. Reseeding of disturbed areas will be accordance with the seed mixtures attached to the approved APD as Conditions of Approval. Planting and soil preparation will be done during the rainy season between June 1st and September 1st.
9. Yates' personnel will control weeds during the productive period through final abandonment of the well. Yates may also use the option to hire a third party to be in charge of weed control or participate in the Chaves Soil and Water District program to pool monies for weed control.
10. Well pads, roads and related facilities with caliche or other surfacing material will be picked up or turned over at the time of final abandonment. These materials may be used on other projects in the area if possible or placed back in the caliche pit or other designated site. Buried pipelines will be left in place after being bled down and purged. Above surface support equipment will be removed or cut down below plow depth and removed. Pipeline right-of-ways will be reseeded according to BLM Best Management Practices.

**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. At the time interim remediation is proposed Yates will furnish the BLM with a Sundry Notice detailing the remediation plans.
- B. 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:**

Surface Estate: Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

Mineral Estate: NM-101579 Bureau of Land Management  
2909 West Second  
Street, Roswell, NM 87504

To access this well location it will be necessary to cross private surface. Yates Petroleum Corporation has entered into surface use agreement with Mr. Elliot McMaster that sets forth the right and obligations of the parties with respect to the surface activities conducted by the operator.

**12. OTHER INFORMATION:**

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

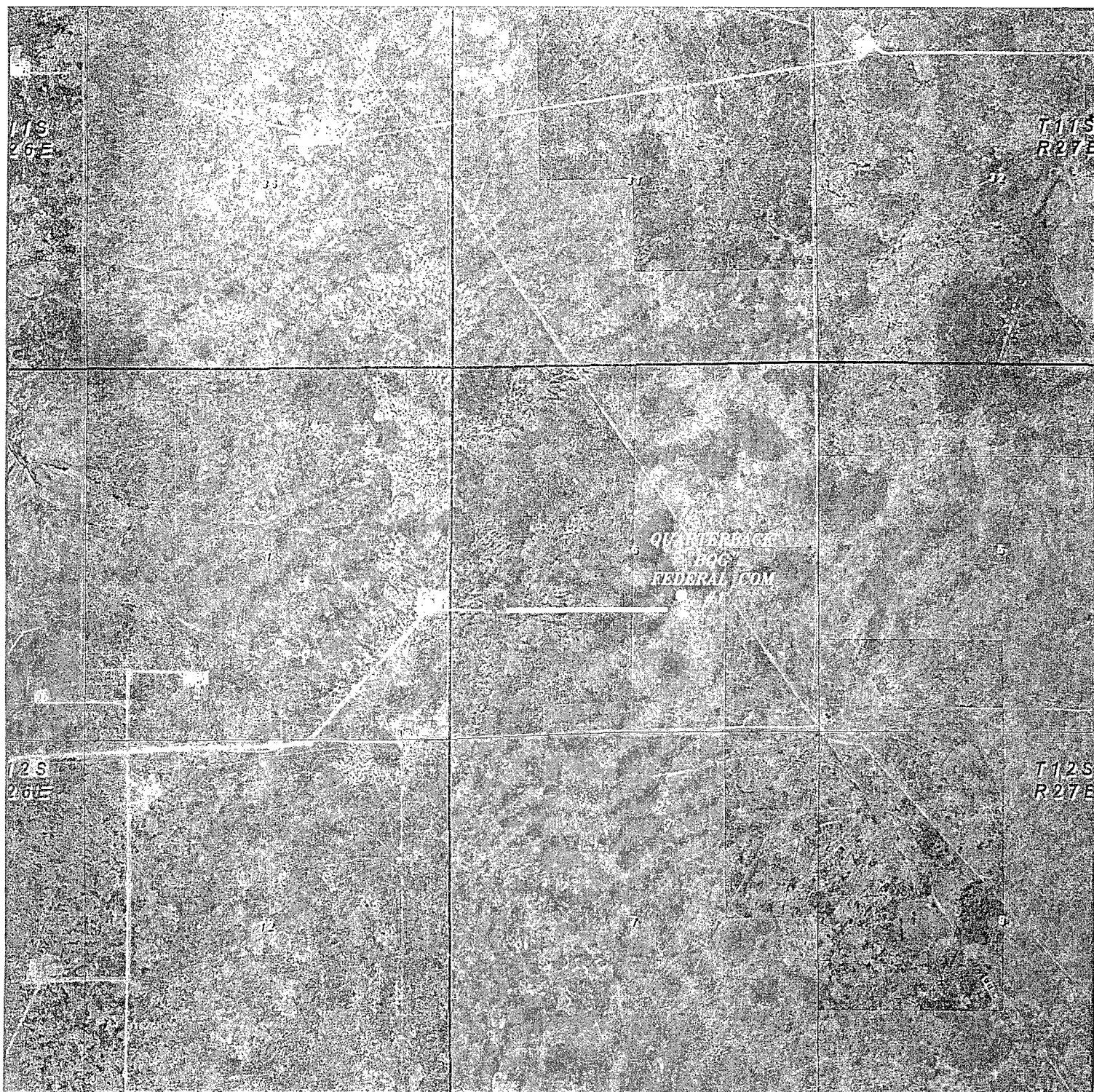
**PLEASE NOTE THE FOLLOWING CHANGES TO THE ORIGINAL APD PREVIOUSLY SUBMITTED:**

**4. LOCATION OF EXISTING AND/OF PROPOSED FACILITIES:**

- A. There are not any production facilities located on this lease at the present time.

**9. WELLSITE LAYOUT:**

- A. Exhibit C-C1 shows the relative location and dimensions for the well pad, the closed loop design plan, the location of the drilling equipment, orientation and access road approach. Please note the end of the flair line which comes off of the BOP will be at least 100' in length away from the well head.



QUARTERBACK "BQG" FEDERAL COM #1  
 Located 1980' FSL and 1980' FEL  
 Section 6, Township 12 South, Range 27 East,  
 N.M.P.M., Chaves 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](http://basinsurveys.com)

W.O. Number: JMS 23429

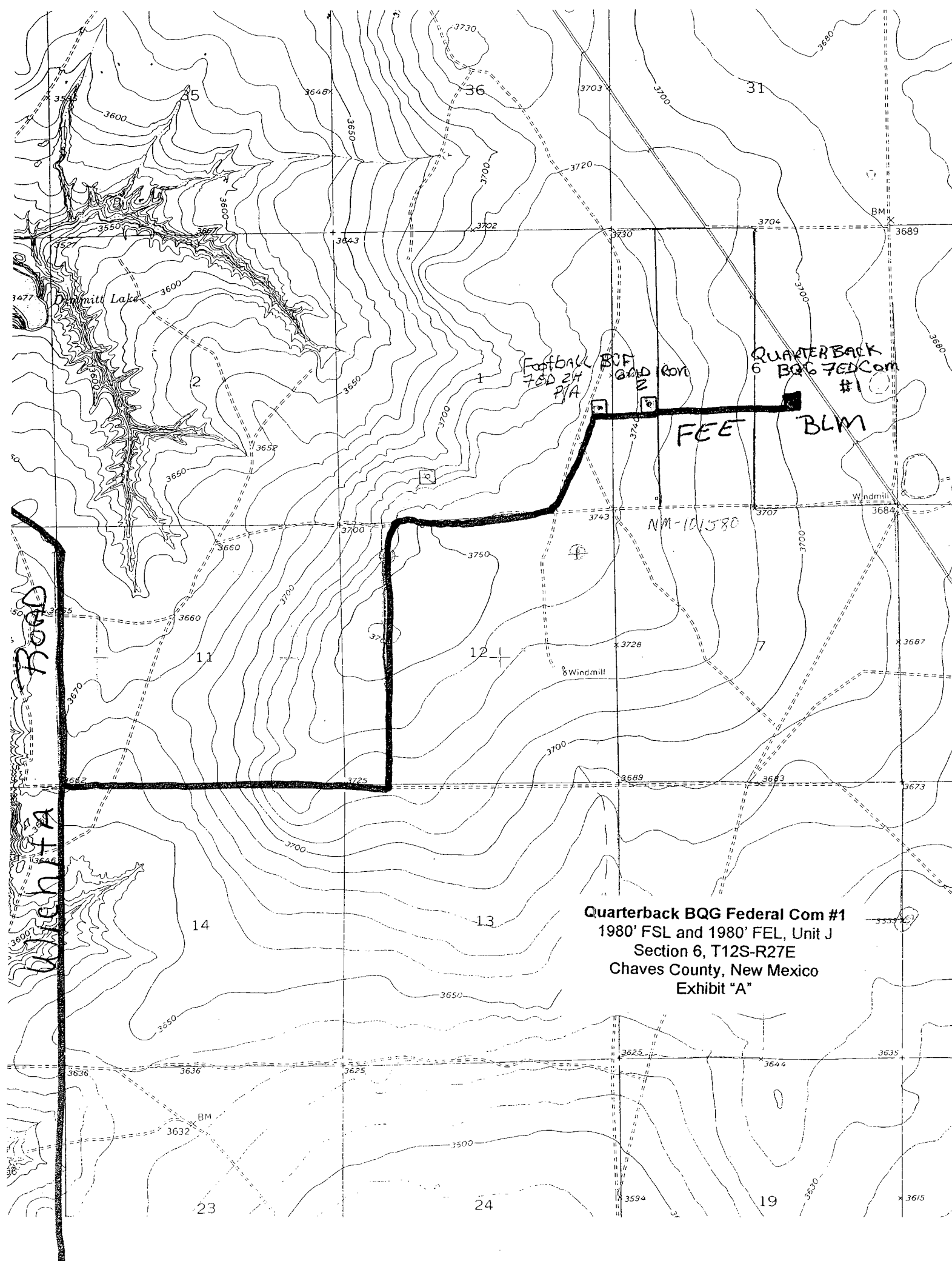
Scale: 1" = 2000'

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



YATES  
 PETROLEUM  
 CORP.





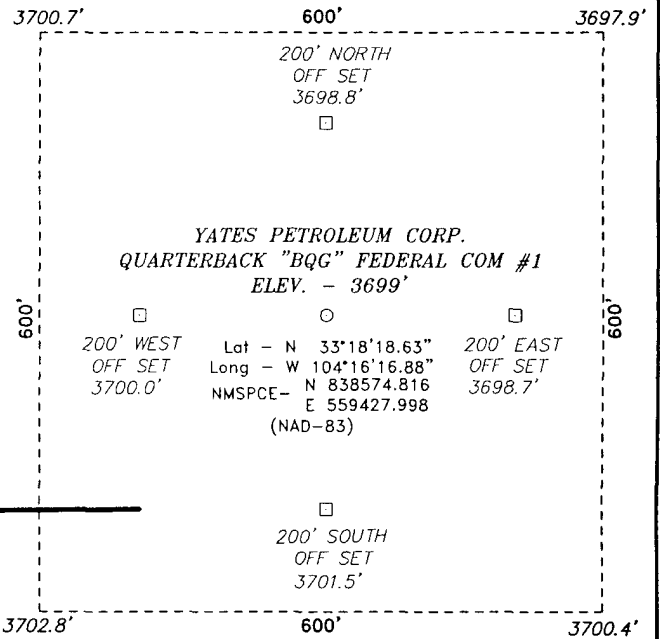


SECTION 6, TOWNSHIP 12 SOUTH, RANGE 27 EAST, N.M.P.M.,  
CHAVES COUNTY, NEW MEXICO.



GRID IRON #2

PROPOSED LEASE ROAD 2368.7'



YATES PETROLEUM CORP.  
QUARTERBACK "BQG" FEDERAL COM #1  
ELEV. - 3699'

200' WEST OFF SET 3700.0' Lat - N 33°18'18.63" Long - W 104°16'16.88" NMSPCE - N 838574.816 E 559427.998 (NAD-83) 200' EAST OFF SET 3698.7'

200 0 200 400 FEET  
SCALE: 1" = 200'

**YATES PETROLEUM CORP.**

REF: QUARTERBACK "BQG" FEDERAL COM #1 / WELL PAD TOPO

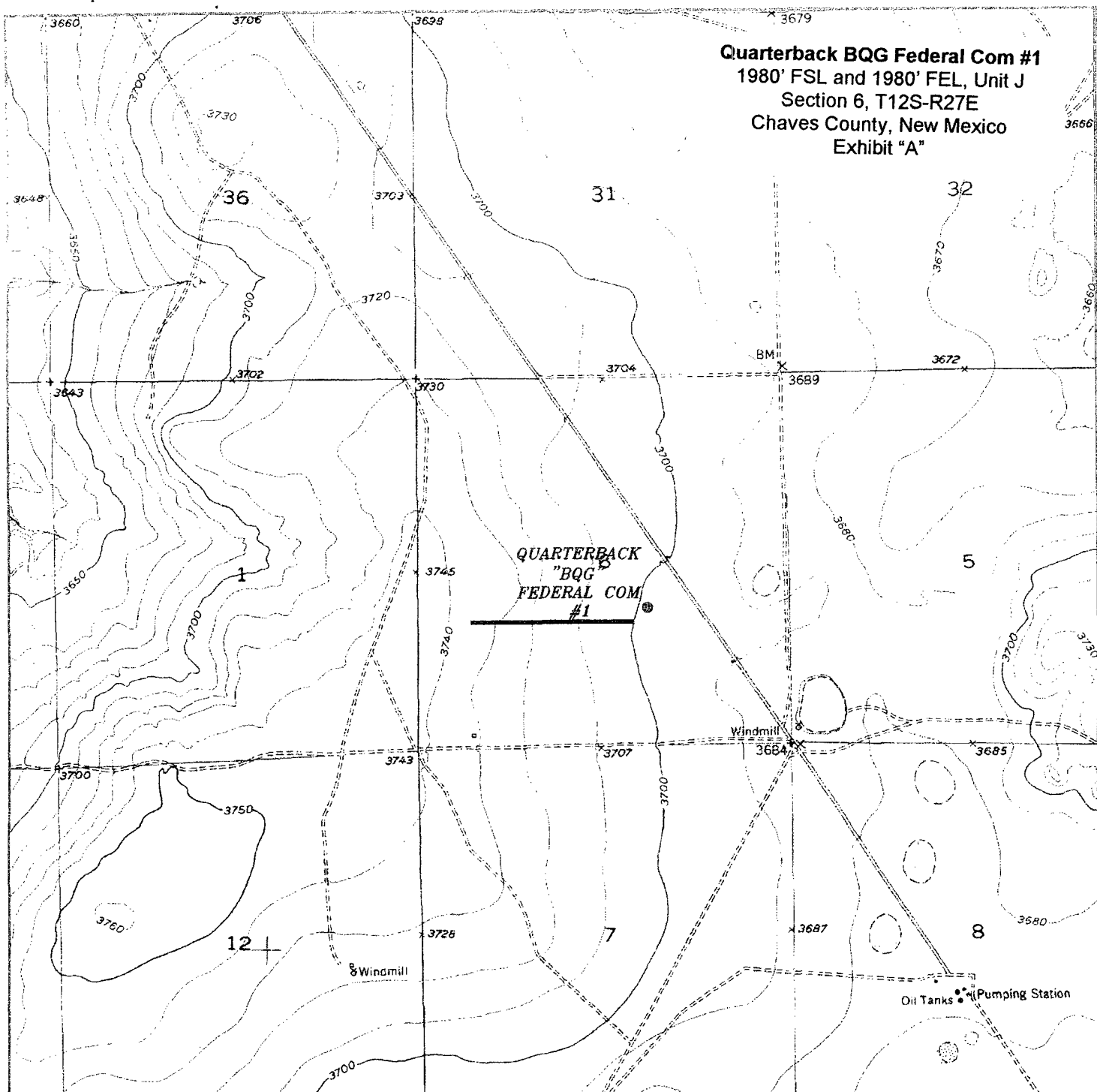
THE QUARTERBACK "BQG" FEDERAL COM #1 LOCATED 1980'  
FROM THE SOUTH LINE AND 1980' FROM THE EAST LINE OF  
SECTION 6, TOWNSHIP 12 SOUTH, RANGE 22 EAST,  
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

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

W.O. Number: 23429 Drawn By: J. SMALL

Date: 09-28-2010 Disk: JMS 23429

Survey Date: 09-28-2010 Sheet 1 of 1 Sheets



**QUARTERBACK "BQG" FEDERAL COM #1**  
 Located 1980' FSL and 1980' FEL  
 Section 6, Township 12 South, Range 27 East,  
 N.M.P.M., Chaves County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

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 Hobbs, New Mexico 88241  
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**YATES**  
**PETROLEUM**  
**CORP.**