

## SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3  
Marbob Energy Corporation  
Burch C Federal No. 51  
1980' FSL 2615' FEL  
NWSE, Sec. 23, T-17S, R-29E  
Eddy County, New Mexico

### 1. Existing Roads:

- A. The well site and elevation plat for the proposed well is shown on Form C-102. It was staked by John West Engineering.
- B. All roads to the location are shown on Exhibit #2. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to location:

From Artesia, go East on Highway 82 for 21.7 miles. Turn South (right) on dirt road and cross a yellow cattle guard. The Burch C Federal No. 37 well will be right in front of you. Turn West (right) on lease road and go .3 miles to the next lease road running South. Turn left and proceed .1 mile. The location will be to the East of the lease road.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

### 2. Proposed Access Road:

Exhibit #2 shows the new access road to be constructed and is illustrated in yellow. The road will be constructed as follows:

- A. The maximum width of the running surface will be 10'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify

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any additions or changes during the onsite inspection.

- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low-water crossings, or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the reserve pit or the nearest Federal, State, or Private - approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- F. The proposed access road as shown in Exhibit #2 has been centerline flagged by John West Engineering.

3. Location of Existing Wells:

Exhibit #3 shows all existing wells within a ½-mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

- A. Marbob Energy Corporation already has a collection facility set up for this lease.
- B. If the well is productive, a 3" plastic flowline (grade SDR 7 @ 265 psi) will be laid on the surface following the existing lease road Right-of-Way to the Satellite or to the central tank battery if the production from the well exceeds the capacity of the Satellite vessel. Anticipated pressures in the flowline should not exceed 75 psi.
- C. If the well is productive, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.
- D. If the well is productive, rehabilitation plans are as follows:
  - (1) The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed).

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- (2) Topsoil removed from the drill site will be used to recontour the pit area to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

5. Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #2. If a commercial fresh water source is nearby, pipeline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

All caliche required for construction of the drill pad and the proposed new access road (approximately 1500 cubic yards) will be obtained from a BLM - approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

7. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed of into the reserve pit.
- B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 100' X 150' X 6' deep. The reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water.
- C. Water produced from the well during completion may be disposed of into the reserve pit.

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- D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on the location. The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded as per BLM specifications and a dry hole marker will be set.

8. Ancillary Facilities:

No airstrip, campsite, or other facilities will be built as a result of the operations on this well.

9. Well Site Layout:

- A. The drill pad layout, with elevations staked by John West Engineering, is shown in Exhibit #4. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
- B. The reserve pit will be lined with a high-quality plastic sheeting.

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10. Plans for Restoration of the Surface:

- A. Upon finishing drilling and/or completion operations, all equipment and other material not needed for operations will be removed.

All trash, garbage, and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 10 months after abandonment.

- B. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned-up and leveled. No oil will be left on the surface of the fluid in the pit.
- C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM - approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The wellsite and lease is located on Federal Surface.

- A. The area around the well site is grassland and the top

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soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

- B. There is no permanent or live water in the immediate area.
- C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

13. Lessee's and Operator's Representative:

The Marbob Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Johnny C. Gray  
Marbob Energy Corporation  
324 W. Main, Suite 103  
P. O. Drawer 217  
Artesia, New Mexico 88210  
Phone: 505/748-3303 (office)  
505/885-3879 (home)

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 currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Marbob Energy Corporation and its contractors and subcontractors in conformity with this plan and the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date:

June 11, 1993

Signed:

  
Johnny C. Gray  
Vice-President