

SURFACE USE AND OPERATIONS PLAN (Continued)

CANDY BUTTE #4

SANDOVAL COUNTY, NEW MEXICO

7. Gates or cattleguards will be used if fence cuts are made.
8. The planned access road has been center-line flagged.
3. Location of existing wells in a one-mile radius are shown on attached Exhibit #1.
 - (1) Water Wells: None
 - (2) Abandoned Wells: None
 - (3) Temporarily Abandoned Wells: None
 - (4) Disposal Wells: None
 - (5) Drilling Wells: None
 - (6) Producing Wells: None
 - (7) Shut-In Wells: None
 - (8) Injection Wells: None
 - (9) Monitoring or observation wells for other resources: None
4. Location of existing and/or Proposed Facilities:
 - A. There is no existing facility within a one-mile radius from location owned or controlled by Hanson Oil Corporation.
 - (1) Tank Batteries: None
 - (2) Producing facilities: None
 - (3) Oil gathering lines: None
 - (4) Gas gathering lines: None
 - (5) Injection lines: None
 - (6) Disposal lines: None
 - B. In the event production is established, Hanson Oil Corporation will build a tank battery on the well pad.
 - (1) Proposed location of tank battery to be on well pad.
 - (2) Dimensions of facilities - See Exhibit #2.
 - (3) All construction material will be of local origin and no surface material will be disturbed except those necessary for the actual grading of well pad. Scoria or gravel will be from a private source.
 - (4) The entire tank battery will be surrounded by a 3' ditch and 2½' fire wall to prevent overflow spillage into surrounding drainage areas. The entire tank battery will then be fenced. Any pits left open will be flagged to protect water fowl if this precautionary measure is deemed necessary by Wildlife Management.