

For Surface Use for T.H. McElvain Oil & Gas Properties
Miller "B" No. 6
SWNE Section 12, T24N, R7W
Rio Arriba County, New Mexico

1. Existing roads will be used as shown on attached vicinity map. The location is approximately 12 miles NE of Nageesi Trading Post.
2. Planned access road.
See Topographic Map attached.
3. Location of wells
Federal 1 SENE Section 12, T24N, R7W (single P.C.)
Miller "B" 5 SESW Section 12, T24N, R7W (dual Gallup-Dakota)
Miller "A" 1 NENE Section 13, T24N, R7W (single Gallup)
4. Location of existing and/or proposed facilities.
Should commercial production result in this well, a skid mounted production unit will be set and a 12' X 15' tank will be utilized, if necessary. All equipment will be set on gravel pads. The gravel will be purchased and hauled in to location from Bloomfield. Livestock and wildlife will be protected by a guard around the wellhead and production unit. No fence is planned around the tanks or separator as no hazard exists. The production equipment will be painted the color which meets with the Federal standard #595-34127.
5. Location and type of water supply.
No arrangements for water have been made at this time.
6. Source of construction materials.
All construction material such as gravel, sand, timbers, etc., will be purchased in Bloomfield and hauled to location. No water, sand, or gravel will be used from this lease.
7. Methods for handling waste disposal.
At the time of drilling, a reserve pit will be in use to dispose of waste drilling fluids. An earthen pit will be dug adjacent to the reserve pit for waste disposal such as food wrappers, rags, empty containers, etc. Upon completion of the operation, the reserve pit and other earthen pits will be covered with a minimum of 3' of clean soil and reseeded as per USGS requirements for this area.
8. Ancillary Facilities.
No camps or airstrips will be used.
9. Wellsite layout.
See attached plat. Top soil will be stockpiled and placed back in place upon completion. The pits will be unlined.

10. Plans for restoration.

Upon completion of the drilling of the well, all pits will be backfilled and top soil replaced and recontoured back to the original terrain. The location of the production unit and tanks will be left level with gravel pad under each piece of equipment. Pit will be backfilled as soon as they evaporate enough to permit for such work. If well is drilled as planned in early 1978, complete restoration and clean up will be accomplished by October, 1978. Should it be necessary to protect livestock and wild game, pits will be fenced and maintained until clean up operations are commenced. Should oil accumulate on the pit, it will be removed and buried 6' deep or overhead flagging will be employed to protect wildlife. The location will be reseed as per USGS requirements.

11. Other information.

A. General description of:

- (1) Topography -- drillsite and access is low valley profile, sandy soil and covered with sage brush.
- (2) Vegetation -- sparse grass, sagebrush and sparse pinon trees.
- (3) Land use -- land is used for grazing with no reservoir or water on this lease. There are no known archeological, cultural, or historical sites on this lease.

12. Lessee's or operator's representative.

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13. 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 presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Young Drilling Company, and its contractors and sub-contractors in conformity with this plan and the terms and conditions which it is proposed.

Date: December 9, 1977


Harold W. Elledge