

SURFACE USE PLAN

HOBBS OCD

McELVAIN ENERGY, INC.  
AMMONITE 7 FED/ [REDACTED] COM. #3H  
UNIT "N" SECTION 7  
T19S-R36E LEA CO. NM

JUN 09 2014

RECEIVED

1. EXISTING AND PROPOSED ROADS WITH DIRECTIONS TO LOCATION:

- A. Exhibit "B" is a reproduction of a County General Hi-Way map showing existing roads. Exhibit "C" is a reproduction of a USGS topographic map showing existing roads and proposed roads. All existing roads will be maintained in equal or better than current conditions. All new roads will be constructed to BLM specifications.
- B. Exhibit "A" shows the proposed well site as staked.
- C. Directions to location: From Hobbs New Mexico take SU Hi-way 62-180 toward Carlsbad New Mexico, go approximately 16 miles, turn Left (South) follow lease road approximately 1.3 miles and location is on the east side of road.
- D. If power lines will be required to produce this lease they will be constructed along existing roads as shown on Exhibit "C"

2. PLANNED ACCESS ROADS: Approximately .75 miles of new road will be constructed.

- A. The access roads will be crowned and ditched to a 14' wide travel surface, within a 30' R-O-W.
- B. Gradient of all roads will be less than 5%.
- C. Turn-outs will be constructed where necessary.
- D. As required all new access roads will be surfaced with a minimum of 4-6" of Caliche. This material will be obtained from a local source.
- E. The center line of roads will be flagged and road construction will be done as field conditions allow.
- F. Culverts will be placed in the access roads as drainage conditions require. Roads will be constructed to use low water crossings for drainage as topographic features require to keep erosion to a minimum.

3. EXHIBIT "A-1" SHOWS EXISTING WELLS WITHIN A ONE MILE RADIUS OF THE LOCATION:

- A. Water wells One approximately 400' Northwest of location.
- B. Disposal wells None known
- C. Drilling wells None known
- D. Producing wells As shown on Exhibit "A-1"
- E. Abandoned wells As shown on Exhibit "A-1"

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9. WELL SITE LAYOUT:

A. Exhibit "D" shows a generic well site for a well to be drilled using a closed loop mud system.

10. PLANS FOR RESTORATION OF SURFACE:

All disturbed areas not require for active support of production will undergo interim reclamation. The portions of the well site not require for operational and safety purposes will have the surfacing material (caliche) removed and will be recontoured to a final or intermediate contour that blends with the surrounding topography. The stockpiled topsoil will then be spread evenly over the recontoured area. The topsoil will then be ripped in order to provide texture to improve the success of revegetation. The reclaimed area will be reseeded with a weed-free mixture suitable for the area.

FINAL RECLAMATION:

After production operations have ceased or if the well is a dry hole the entire well pad and road will be reclaimed. Surfacing material will be removed and the location will be recontoured to the original contours. The topsoil will be ripped in order for the reseeding to be more successful. The area will be reseeded with a mixture that is compatible with the existing soil.

Drill cuttings and mud used to drill this well will be removed and disposed of at an approved disposal site. All trash and any other debris will be collected and disposed of as the above.

II. ADDITIONAL INFORMATION:

The surface location of this well will be drilled on property owned by Mr. Kress Jones 3729 WEST SANGER STREET HOBBS, NEW MEXICO 88240.

An agreement has been reached between Mr. Jones and McELVAINE ENERGY, INC. with regards to surface damage for location and roads.

The surface has a slight dip towards the south and is used for grazing livestock, farming and oil and gas production.

Vegetation consists mainly of native grasses and mesquite bushes.



3106 N. Big Spring St., Ste. 100  
Midland, TX 79705  
Tel: 432.685.9158  
Fax: 432.218.7396

August 31, 2013

**Re: 5 Business Day Notice to Survey, Stake and Access**

- ☐ Via Hand Delivery  
☒ Via Certified Mail

Kress Jones  
3729 W. Sanger Street  
Hobbs, New Mexico 88240

**Re: Property located in Lea County, New Mexico:**  
**SW4/NW4 and S2 Section 12, Township 19 South, Range 35 East**  
**N2 and W2/W2/SE4 and W2/E2/W2/SE4 and E2/E2/SW4 Section 13,**  
**Township 19 South, Range 35 East**  
**W2 Section 18, Township 19 South, Range 36 East**  
**SW4 Section 7, Township 19 South, Range 36 East**

Dear Mr. Jones:

This is to provide notice, pursuant to Section 4.A. of the New Mexico Surface Owners Protection Act, that we will be sending personnel to your lands for one or more of the following reasons: measure, inspect, survey, stake and generally evaluate site(s) and route(s) for proposed operations that are being considered for the future. The activities conducted by these personnel will not disturb the land. The activities are estimated to be conducted between September 10 and November 1, 2013. This is sent to you as the owner of the subject lands. If you believe someone else holds legal and/or equitable title to the surface, please let us know.

If you have any questions, please contact me at (830) 537-4599 or email: [vjohnstoul@gmail.com](mailto:vjohnstoul@gmail.com).

Sincerely,

A handwritten signature in cursive script that reads 'Vicki Johnston'.

Vicki Johnston  
Gray Surface Specialties  
Agent for McElvain Energy, Inc.