

30-015-39235

# Manzano, LLC MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Golden Spur Federal #1H Surface Location: 330' FSL & 1980' FWL Section 25, T26S, R31E Bottom Hole Location 330' FNL & 1980' FWL Section 25, T26S, R31E Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

#### 1. EXISTING ROADS:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Basin Surveys Company.
- b. *Exhibit 2C* is a portion of a aerial map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in blue on *Exhibit 2*.

c. 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.

#### **DIRECTIONS:**

From the Junction of HWY County rd.1 (Orla HWY) and Battle Axe road Go Southwest on Orla for 2.2 miles to lease road (State line road), on lease road go west 1.2 miles to Proposed Golden Spur Fed 1H

#### 2. PLANNED ACCESS ROAD:

The proposed access road is shown in Exhibit 2.

- A. The well site and elevation plat for the proposed well are reflected on the well site Layout; Form C-102. The well was staked by Basin Surveys.
- B. All roads into the location are depicted on Exhibit 2A

#### 3. New or Reconstructed Access Roads and Location

- A. The well site layout, and proposed road access is depicted in surface plats drawn out by Basin Surveys.
- B. The maximum width of the ROW will be 25' with a driving surface of 14'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- C. Surface material will be native caliche. This material will be obtained from a BLM approved pit Nearest in proximity to the location. The average grade will be approximately 1%
- D. No cattle guards, grates or fence cuts will be required. No turnouts are planned
- E. Top soil will be stock piled on the southwest corner of the location, and 100% of this material will be used for interim reclamation

## 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. In the event the well is found productive, the Golden Spur Federal 1H tank battery would be utilized and the necessary production equipment will be installed at the well site. A proposed layout of the facilities is included on Exhibit 4 on Page 12.
- B. All flowlines will adhere to API standards
- C. If electricity is needed, power will be obtained from Xcel Electric. Xcel Electric will apply for ROW for their power lines.

# 5. LOCATION AND TYPES OF WATER SUPPLY:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in Exhibit #2. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, the existing and proposed road shown in Exhibit "2" will be utilized.

#### 5. CONSTRUCTION MATERIALS:

All Caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. All roads will be constructed of 6" rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

#### 6. METHODS OF HANDLING WASTE MATERIAL:

- a. All trash, junk and other waste material will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- b. The supplier, including broken sacks, will pick up slats remaining after completion of well.
- c. A porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- d. Disposal of fluids to be transported by an approved disposal company.

#### 7. ANCILLARY FACILITIES:

No campsite or other facilities will be constructed as a result of this well.

#### 8. WELLSITE LAYOUT:

- a. Exhibit 3C, page 11 shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicates proposed location of close loop and sump pits if utilized and living facilities.
- c. Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized.

## 9. PLANS FOR INTERIM RECLIMATION/ FINAL SURFACE RECLIMATION:

- a. Interim reclamation will be done if the well is deemed commercially productive; caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography. Exhibit 4, page 12 indicates an area on the west side of location that may be reclaimed after the frac job and production facilities have been installed.
- b. After finishing drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original state.
- c. The location and road will be rehabilitated as recommended by the BLM.

#### 10. SURFACE OWNERSHIP:

The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The proposed road routes and the surface location will be restored as directed by the BLM.

#### 11. OTHER INFORMATION:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, some mesquite bushes and shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.

# 12.OPERATOR'S REPRESENTATIVE:

## **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 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 Manzano, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

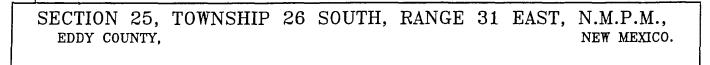
5-18-2011

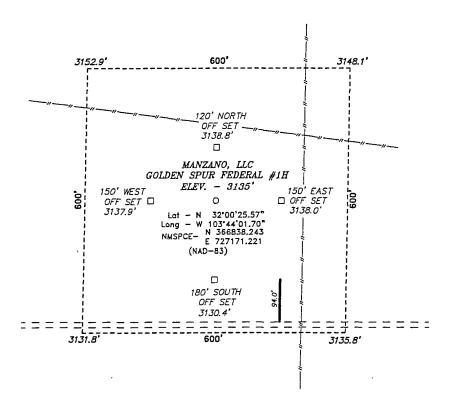
Date

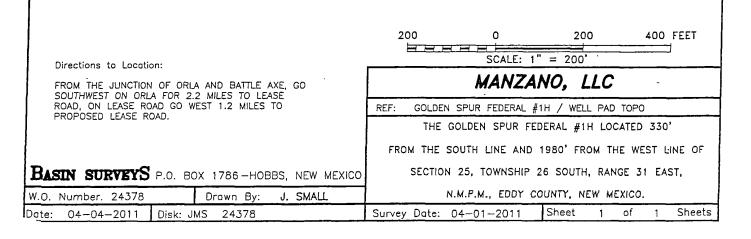
Paul Ragsdale

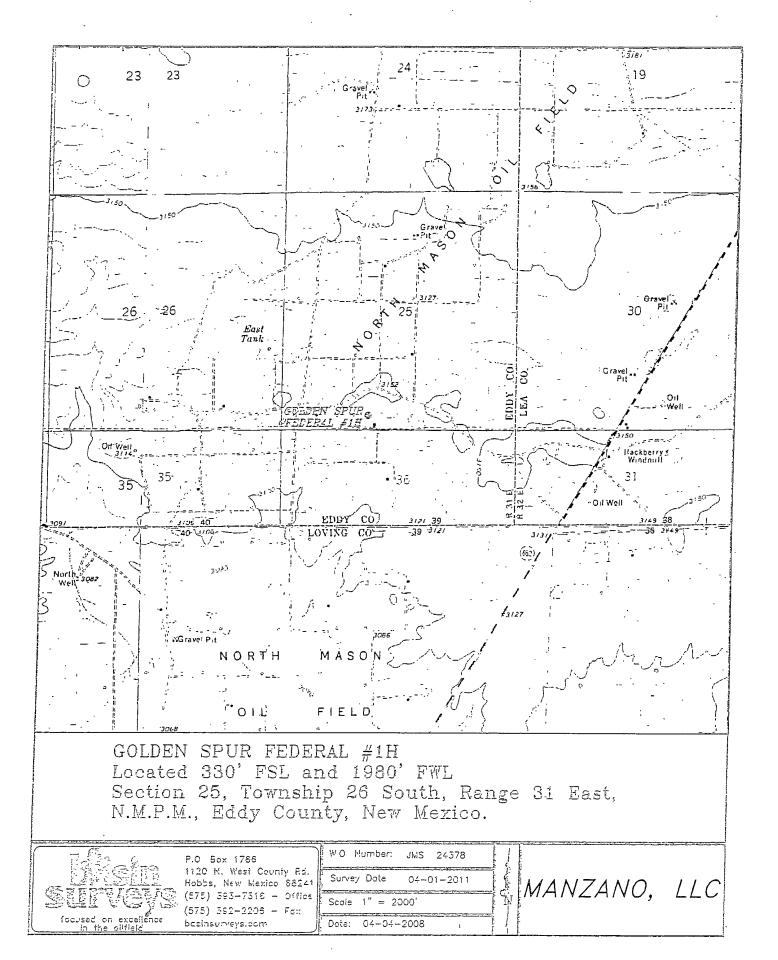
**Operations Manager** 

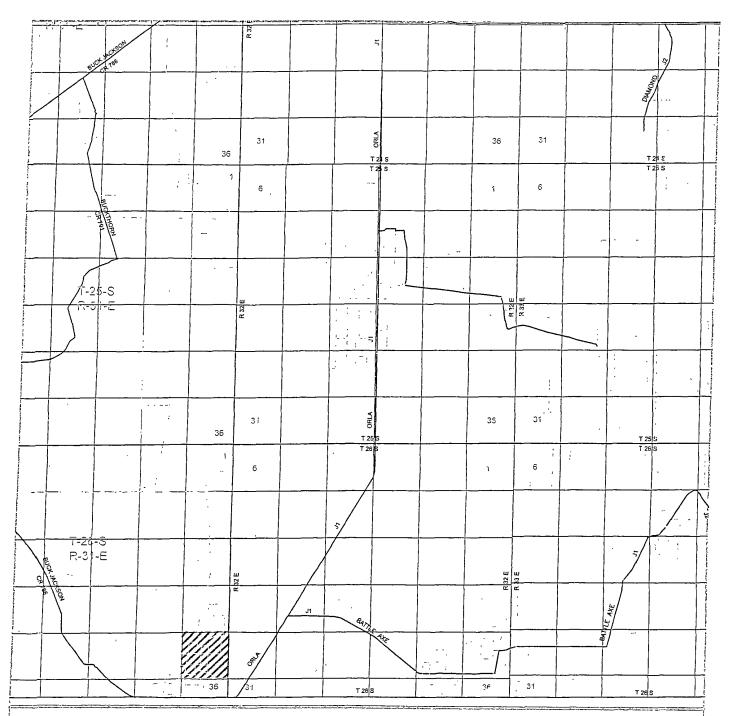
Manzano, LLC











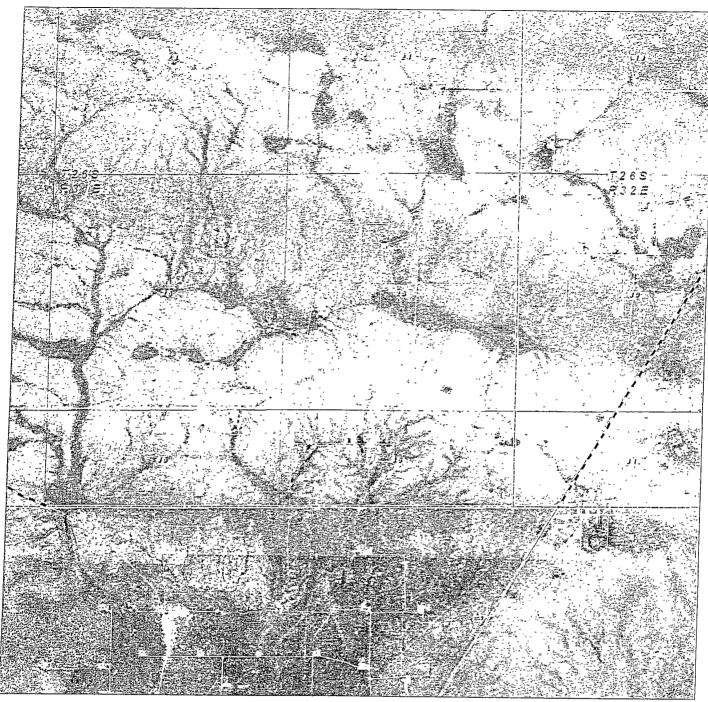
GOLDEN SPUR FEDERAL #1H Located 330' FSL and 1980' FWL Section 25, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



F.O. Eos 1708 1120 M. West County Pd. Hotbs, New Karloo 88241 (575) 393-75:8 - Office (575) 392-2200 - Tex besineur reveleent

W.O Number: JMS 24370 Survey Date: 04-01-2011 Scelar 1" = 2 miles Data 04-04-2005

MANZANO, LLC



GOLDEN SPUR FEDERAL #1H Located 330' FSL and 1980' FWL Section 25, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

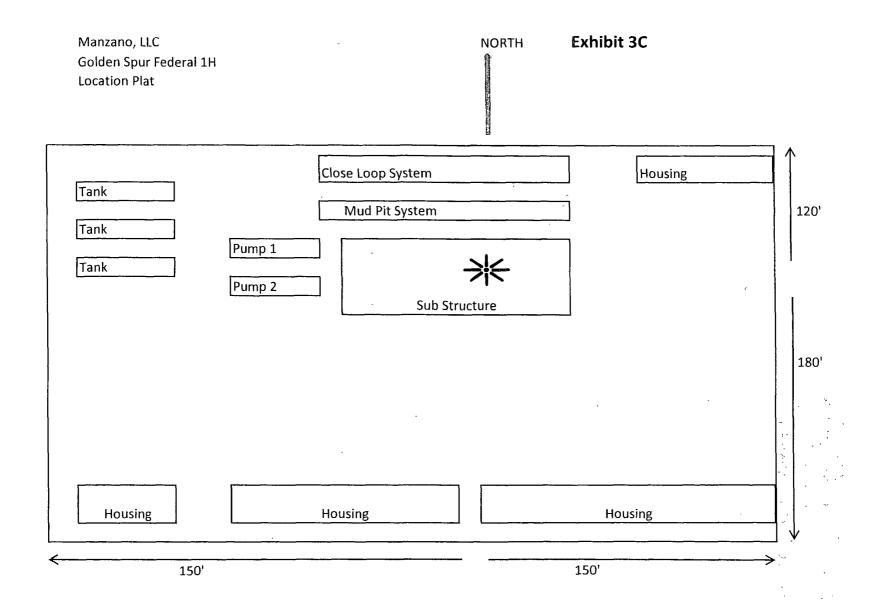


P.O. Box 1786 1120 M. West County Rd Hobbs, Mart Haxieo 882-1 (575) 893-7316 - Office (575) 892-2206 - Fox Designatures com | W O riumber | JMS | 24378 | | Scale | 1" = 2000| | YEL\_OM\_TAT | - USA | 2470 | | BLUE TAPT | - 57475 | 2400 | | USTUFAL 20103 | - FEE 1445

MANZANO, LLC

*MEE Hereiman,ellel 1 & F Eliza	T ! Mahat	5 n 5   D c   d   H C   Herritan   2   d						
Deven Ener. 1/2	1 1 1 7 1		IL	V f fa ( Bry Sonks, James Vancture 2025) I 1 D3 In 2 ht	1 : 1.1a . 11	y 19	' 20 GYE	L ** 20137   131   131   1   1   1   1   1   1   1
	- u	With ""	Touley "Amora Off Fed"	, ,	3000 =5		(F.R. Boxs) J1	"30 (Panther City Inv)
FILESE H BD FILESE	Sittly OEG INCOURS	Alama fary balle	Strain Sing Sinks Jain   Sing Sinks Jain   Sings Sinks Jain   Sinks Jain	V F Pel thing Smik's James Verologie 10 25%	AITS Est.		v	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
30	1184 1 1184 1 1184	Pober Inko Vast   Station	1 100	2 1 m3 (E310	26 5 400	t herena, real	Chevinnicia (	as when a Ogn De o ly Decontract
Have 1 ml		Pater lake Vast   Starting   1   1   1   1   1   1   1   1   1	Sill Narenta	11 07 13 10 1 ALL HOUSE H	25	v / (47xx)	04.2300 CA 10.4623 Q	der den er 700 men 100
i	"""	Adjusting to produce the second secon	1 14 14.161.6	11 (1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	(4) L. Harvey, Jr (-1, 16) (3) L. L.	1 (1983)   (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	Yute , to by , etal y 1 fort sub 31 50 31	
Summe G	P O Outs Borr Fait	44000 (0) (0)	U.S 1501	315 ts U.3		. 9 (304	20 g.	Sementary Landson 1
inoi.	1 10 11 1 10 11	PH ROLLING STORY OF STATE OF S	Nurth 20 0	V. Lating	651rx Pel, elaloo   Yales Fel elal el vn 1 1 140   1 1 160   17 160   17 17 17 17 17 17 17 17 17 17 17 17 17	- 1/5 - 1/5	Publisher to the color of the c	
31	32	33	Devent ther NBH DAILETS 34	11112	10 mil 10	Interpretation	10° 1 10'19 Vii 111'19 Ji 111'1	alvers westerd
Hetsent   5   72   0101755 -			1 1	Southering Feed	36		9 Confirm  9 Silling	therefore (1):11  Imputing feet  Therefore (1):11  Imputing feet  Therefore (1):13  Therefore (1):13  Therefore (1):13  Therefore (1):13  Therefore (1):13
17 3	31010	Polarik (II '	195. Thread 197, 199, 4	# 147 c	24	I M Horr 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Yates Fet elaf III 3 2050 VII 111	Symples 2  3.5. We state 1  of legislate page 1 or 1  of legislate pag
alal I BEPCO	Conurs H#U	SRIH ere Le	Canting of Cantingonial	U.S.	il.i. O/	1	712 et Hilly Kunker   Hall / Feb   'D. Jane	A stangel a stan
ieni uzu	••••	\$32°6	Tony Continental	16 410	18-16-18-18-18-18-18-18-18-18-18-18-18-18-18-		ا نا	Statement of the first of the state of the s
. 6	5	entre.	11111 3	2		1 1 to 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Post Belg Codd Lot 19 15 to 10 15 to 50 (Adoptor of Hood Se) Mathedor Pel	Balance Pull Balance Company of the
1				ray is find	Profit is	6 (All )	0 1405 1405 1100 1111 1111 1111	A Manager Libertus and a company of the Company of
tillet same	V S	-		illi on	4	\ <u>`</u> ";	The state of the s	Treatment of the state of the s
Post (Chi Williams 1977 198040	thought, s.t. Wellsman's 0 4 5 8001	Hugd ( Metvalhuma,e) d #45500)	Month Cut @ D. A.	Queen Loss 25,   VIO E11   12001	Daven fires Ve XID Let Hints e	17 1 d d d d d d d d d d d d d d d d d d	Differ the literature	
1 7	9,10; "the	9	10 9 10 W	Bro lovice an		14c 7l leanen Typini ce In silla	3710 Ft .	(Phagman Limiter) (In Was 1 in 128) (In Was 1 in
	Conders (S)	Fit Hucking Fail 19 4160 Dike & So	Gernerald IO Birth Ird	" +	EON Res. Commercials Hilf Streams	1  17	In such states and sta	l
U 1	t	السا	31 , 22-	(a)		tionan float	The state of the s	Prominer 1 for a 1 for
al come (Girle Pri)	EP Pel augu Bould McKilloma Histor Seldin	Eng ties	I int Har h	LOO REE	Etic Has Chewaynte H &P 1 2006 H &P 100000	T (10-10) (10-	17804022	1 7 // 100-01 1
		1/- 10	2703 G	#64156	#44156   1,1002F	14 d bulgarahar tu	Challeng Constitution of the Constitution of t	Riff (mires) Is therement and the state of t
(Beyof Mewilliams) (fel form [Book file file, cal., 1437)	17 ®	16 16	Der Presiden	14	13	(children) Hay 2011  652/69  651-661-661-661-66		A 45 A
The Part	thound Yates the craft the minutes of the craft that rate united the craft that the craft the craft that the cr	Philip of the state of the stat	Mr.			January in	2 3111642111	(1000) \ 16 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Phelinty 12 Pat com		COLUET	v s	U1				26 32
	T	exas (		ስ ወቅ ትሀሀብረት	Aghern Dear	HA A ALANCAN AND COLOR	other till a till a till a	Printer Direction of the Control of
						Texas		

Exhibit 2D



ROAD TO LOCATION

OLD DCP PIPELINE