

MARATHON OIL COMPANY

Surface Use and Operations Plan

Ohio "D" Government #2
1800' FNL and 1650' FWL
Sec. 8, T31N, R12W Unit F
San Juan County, New Mexico
5913' GL

1. Existing Roads:

Light duty road from La Plata, New Mexico, east $4\frac{1}{2}$ miles, turn and go south $\frac{1}{2}$ mile on unimproved dirt road on east side of Section 8. All roads are shown on attached map.

2. Access Road:

The attached map shows the new access road, which will be approximately $\frac{1}{2}$ mile long and 14' wide. Maximum grade will not exceed 5%. There will be no culverts, gates, turnouts, cattle guards, or fence cuts. The road will be staked. Rehabilitation will consist of requirements shown on submitted Rehabilitation Plan by Surface Owner and Lease Operator.

3. Location of Existing Wells:

See attached sheet.

4. Location of Production Facilities and Service Lines:

Marathon Oil Company does not own or operate any oil or gas gathering lines, injection lines, or disposal lines within a 1 mile radius of the well.

The proposed well will have one tank, one three stage separator, and a 10' square by 6' deep water disposal pit. The water disposal pit will be fenced. The gathering line will be laid by the purchaser to their line.

The reserve pit will be fenced on three sides while drilling and the 4th side will be fenced after the rig moves off. The reserve pit and unused parts of the location will be graded back to contour and seeded as recommended by BLM.

All above ground equipment will be painted a color that closely matches the Federal Standard #595 30318 (Brown).

5. Location and Type of Water Supply:

The water supply will come from the Animas River near Aztec, New Mexico, and hauled to the wellsite by a Jobber.

6. Source of Construction Materials:

All construction materials for this location and access road are to be materials accumulated during construction of the location and access road. No additional construction materials from other sources are anticipated.

7. Waste Disposal Handling:

Drill Cuttings will be covered after the reserve pit is dried up. All liquid drilling waste will be stored in the reserve pit. All burnable trash will be burned in a suitable burn pit with a steel screen across the pit. Any produced fluids will be caught in a test tank. All non-burnable refuse will be buried to a depth of 5' upon completion of drilling and completion of operations. A sanitation facility will be provided. There are no plans to line the reserve pit. Immediately upon completion of the well, the location will be policed and all waste materials will be picked up.

8. Ancillary Facilities:

There will be no proposed camps or airstrips at the location. There will be one small house trailer to be used by drilling supervisors. These are shown on the attached map.

9. Well Site Layout:

A cross section of the drill pad is shown on the attached schematic. Location of mud tanks, reserve pit, trash burn pit, pipe racks, living facilities, soil materials and stockpiles are shown on the attached schematic. The rig will face the west with the reserve pit to the south. Parking area will be on the north side. The access road will be from the northwest. The location will require a maximum cut of 6" at the wellbore.

10. Plan for Restoration to Surface:

Upon completion of this well those areas not needed for any possible production equipment will be backfilled, leveled, contoured and the topsoil replaced. The area will be reseeded according to BLM's recommendations. At the time of rig release the reserve pit will remain fenced until proper cleanup can be made. Any oil on the reserve pit will be removed. Rehabilitation will be completed by the fall of 1979.

11. Other Information:

The attached archaeological report covers all aspects of the surface characteristics and grants clearance to construct the location and short road, which will not disturb any cultural resources.

In the immediate area there are no known occupied dwellings, archaeological, historical, cultural sites, shallow water wells, or creeks.

12. Representatives:

Marathon Oil Company's representative who is responsible for compliance with the approved surface and operation plan is:

James F. Wirth
Drilling Superintendent
Marathon Oil Company
P. O. Box 2659
Casper, Wyoming 82602
1 - (307) 265-7693

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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 Marathon Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

April 7, 1978
DATE

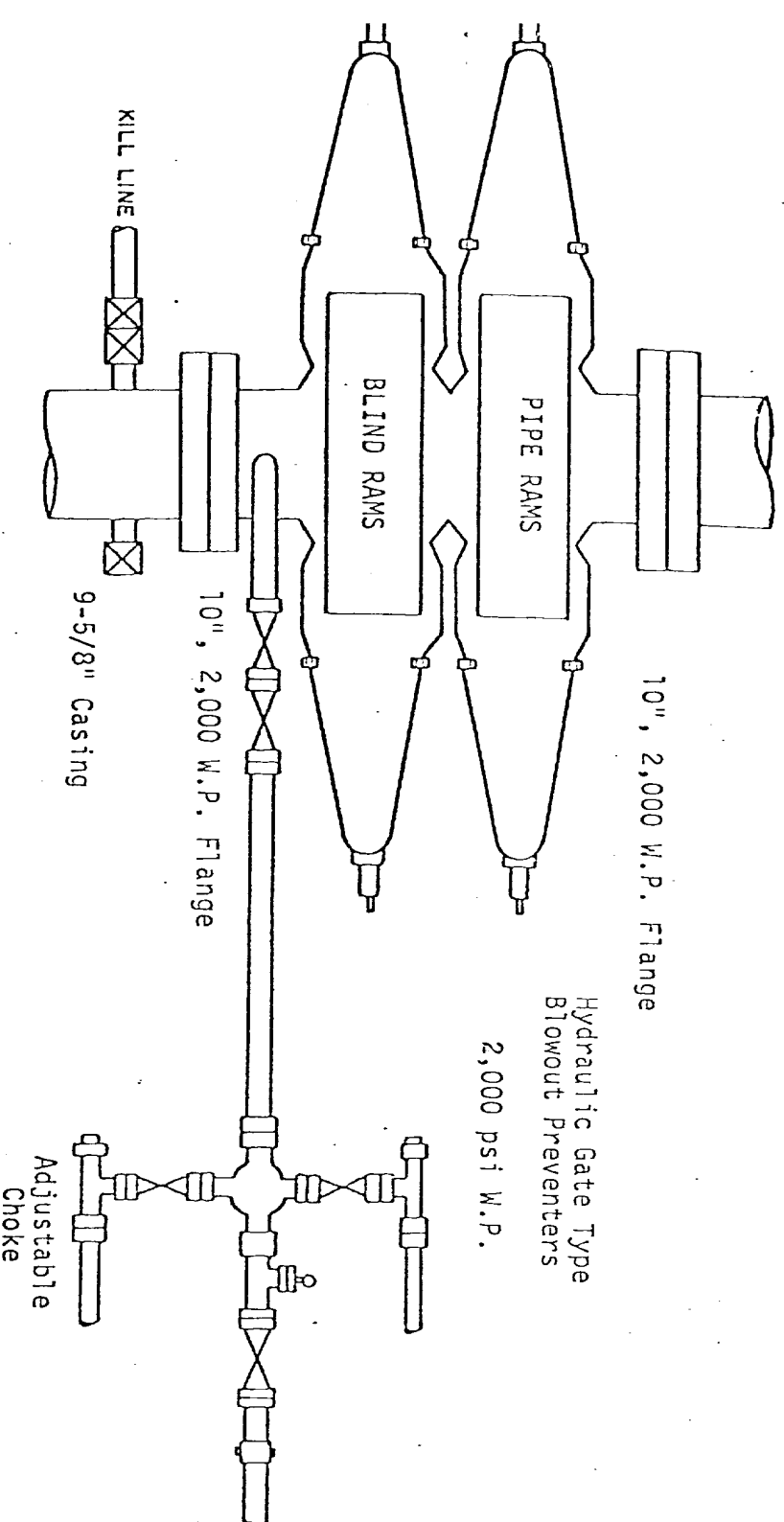
James F. Wirth
NAME

Wells Within 1 Mile Radius

Ohio "D" Government #2

- | | |
|-------------------------------------------------|--------------------|
| 1. Consolidated Oil & Gas Leeds 1-8 (Sec. 8) | Dakota well |
| 2. Marathon-Ohio "D" Government #1 (Sec. 8) | Point Lookout well |
| 3. El Paso-Newberry #6A (Sec. 17) | Point Lookout well |
| 4. Tenneco-Newberry 1A (Sec. 17) | Dakota well |
| 5. El Paso-Newberry 4M (Sec. 9) | Point Lookout well |
| 6. Tenneco-Newberry 1A (Sec. 8) | Dakota well |
| 7. El Paso-Newberry 3A (Sec. 8) | Point Lookout well |
| 8. El Paso-Newberry 1G (Sec. 5) | Dakota well |
| 9. El Paso-Newberry 9M (Sec. 5) | Point Lookout well |
| 10. El Paso-Newberry 1G (Sec. 5) | Dakota well |
| 11. Union Texas Petroleum 2A (Sec. 7) | Point Lookout well |
| 12. Union Texas Petroleum-Culpepper 3A (Sec. 7) | Dakota |
| 13. Marathon-Ohio "E" #1 (Sec. 18) | Point Lookout well |

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1. Blowout preventers, master valve, plug valve and all fittings must be in good condition. Use new API Seal Rings.
2. All fittings (gates, valves, etc.) to be of equivalent pressure rating as preventers. Valves to be flanged and at least 2" unless otherwise specified. Valves next to BOP to be plug type and nominal 3".
3. Equipment through which bit must pass shall be as large as the inside diameter of the casing that is being drilled through.
4. Safety valve must be available on rig floor at all times and with proper connections. The I.D. of safety valve should be as great as I.D. of tool joint of drill pipe.
5. Kelly safety valve installed, same working pressure as BOP's.
6. All lines and controls to preventers must be connected and tested before drilling out of surface pipe.
7. BOP's must be fluid operated, complete with accumulation controls may be either on floor or around near steps from rig floor.
8. Fillup line tied to drilling nipple, the connection must be below and approximately 90° to the flow line.
9. Gauge will be installed for testing but removed while drilling.
10. Spool not required, but when side outlet on BOP's is used, it must be below bottom ram.
11. Casinghead and casinghead fittings to be furnished by Marathon Oil Company.
12. Chokes will be adjustable.
13. One side of casinghead may be built plugged.