

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
HNG OIL COMPANY
Bell Lake "11" Federal Sec. 11, T-25-S, R-33-E
Lea County, New Mexico
Well #1

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

1. EXISTING ROADS:

- A. Exhibit "A" depicts the location of the proposed well as staked from the intersection of State highways 18 and 128 in Jal, New Mexico proceed west on highway 128 twenty-two miles. At this point, proceed South on an improved ranch road for three miles. At this point the ranch road continues for an additional one-half mile to an intersection with another ranch road running in a North-westerly direction. From this intersection a new road of 3015 feet will be constructed to the proposed location. See Exhibit "A".

2. PLANNED ACCESS ROAD:

- A. Exhibit "B" depicts the portion of the existing ranch road which will require additional caliche. This is shown in green. Shown in red on Exhibit "B" is the new road, which will be required. All but 660' of this road will be on State land but will be constructed as per BLM guidelines.
- B. Surface material will be 6" of caliche, water compacted and graded.
- C. Maximum grade will be 3%.
- D. Drainage design: The new road will have a drop of 6" from center-line on each side.
- E. The maximum width of the road will be 12 feet wide. No culverts will be required.
- F. No cattleguards will be required on the improved portion or the new road. However, it is anticipated three cattleguards will be required along the improved ranch road from highway 128.

3. LOCATION OF EXISTING WELLS:

- A. Exhibit "B" also shows the existing well within a one mile radius. There appears to have been only one well drilled in this area. This is a P&A well in Section 1.

4. LOCATION OF EXISTING OR PROPOSED PRODUCTION FACILITIES:

- A. At the present time there are no production facilities. If the well is successful, production facilities will be constructed on the proposed drill pad in the southwest corner.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water for drilling will be purchased from commercial sources and transported by truck to the wellsites over the existing and proposed roads shown on Exhibits "A" and "B".

6. SOURCE OF CONSTRUCTION MATERIAL:

- A. An existing caliche pit located as shown on exhibit "A" will be used as the construction material for the improvement of the roads, the new road, and the drill pad. An archaeological study is being conducted by Dr. Haskell and his report will be submitted. N/W 1/4-N/W 1/4, Sec. 1, T-25-S, R-33-E

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pits is shown on Exhibit "C".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well-pad, mud pits, reserve pit, trash pit, and location of major rig components.
- B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the wells, surface restoration will be in accordance with the agreement with surface owner. Pits will be filled and location will be cleaned. The pit area, and well pads will be ripped to promote revegetation. Access roads will remain as per agreement with the surface owner.

11. OTHER INFORMATION:

- A. Topography: Land surface is undulatory and dunny, sloping gently toward the south at about 20 feet per mile.
- B. Soil: Soil is a deep fine sand underlain by caliche.
- C. Flora and Fauna: The vegetative cover is moderate. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles and some birds.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: None.
- F. Archeological, Historical and Cultural Sites: None observed in area.
- G. Land Use: Grazing and hunting in season.

12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Mr. Phil Stinson
4016 East Everglade
Odessa, Texas 79760

Phone: Business 1/915/683-4871
Home 1/915/362-6240

13. 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 HNG Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

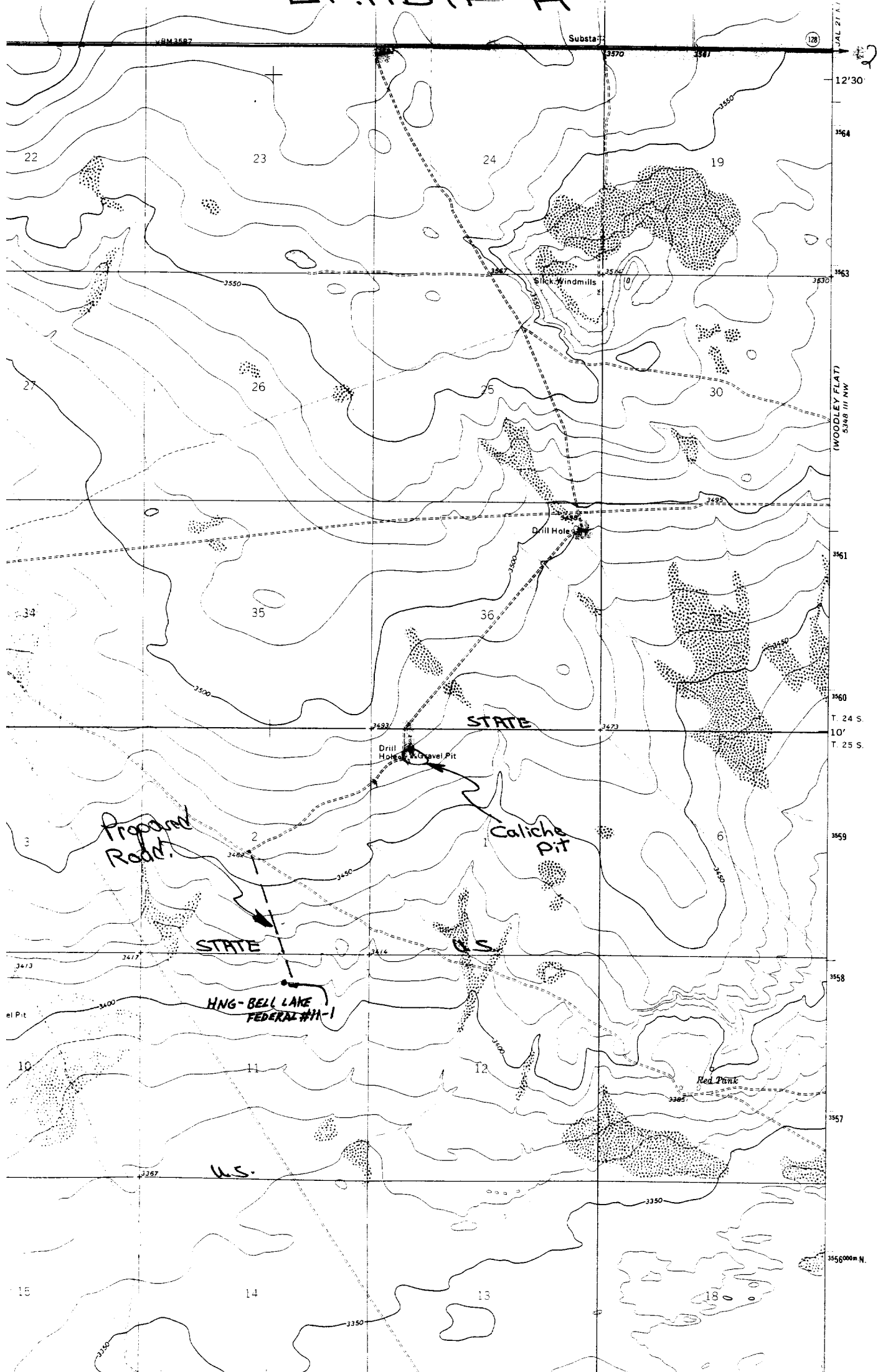
DATE

2/11/80


W.L. Lorette

Vice-President of Operations

EXHIBIT "A"



1000
SURVEYORS
 ALL
 79701
 10 FEET
 DATUM OF 1929

1 MILE
 1 KILOMETRE

NEW MEXICO

ROAD CLASSIFICATION
 Primary highway, hard surface
 Secondary highway, hard surface
 Interstate Route
 U.S. Route
 State Route
 Light-duty road, hard or improved surface
 Unimproved road

INTERIOR GEOLOGICAL SURVEY, RESTON, VIRGINIA—1975
 R. 33 E. R. 34 E. 641,000# E.

32°07'30"
 103°30'

3560000# N.
 3560000# N. (PLACE)

Showing Proposed Roads in Relation To H.N.G. Oil Company, Bell Lake Federal 11#1, Section 11, T-25-S, R-33-E, Lea County, New Mexico To all Producing, Dry Holes within a 2 Mile Radius

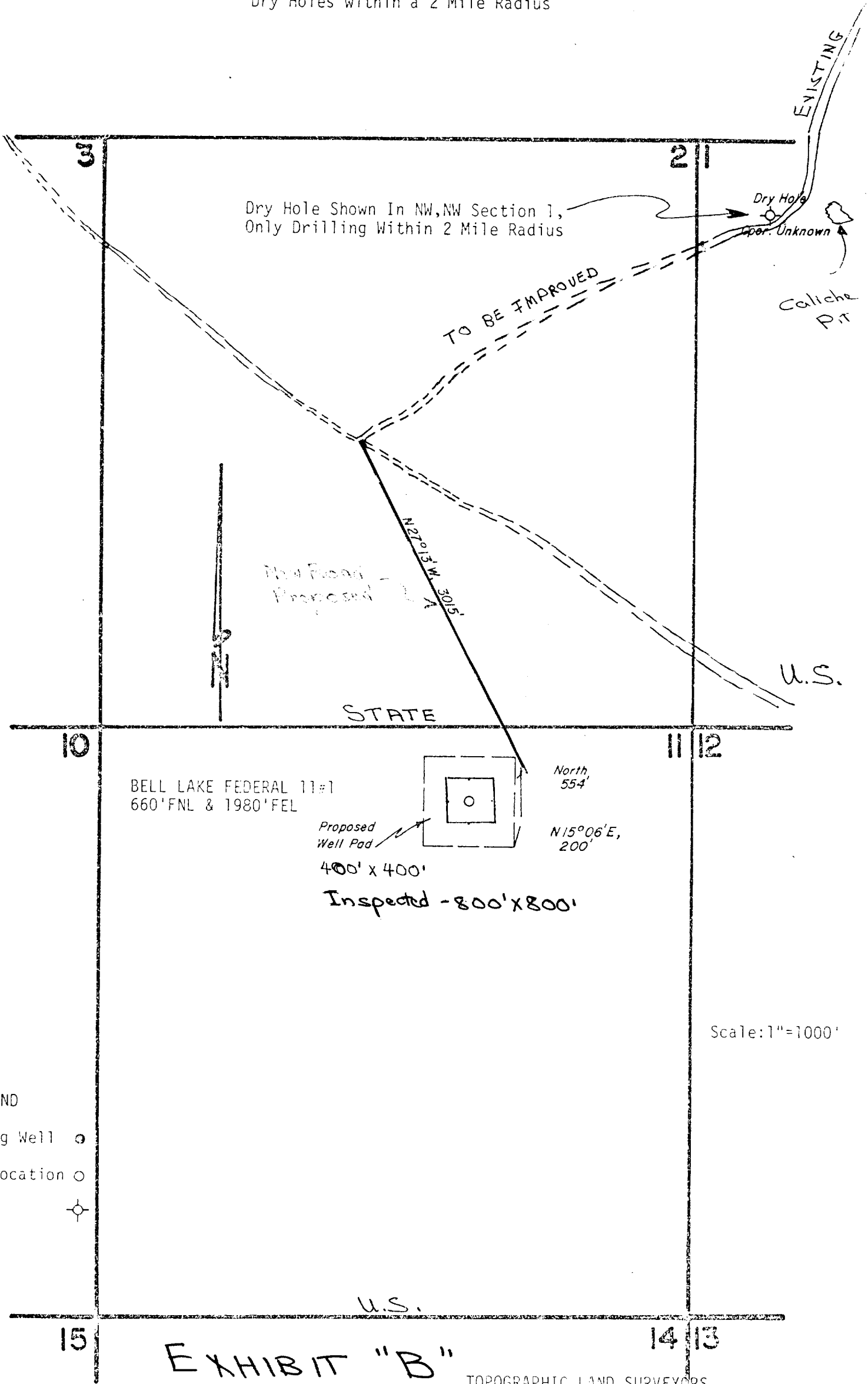


EXHIBIT "B"

TOPOGRAPHIC LAND SURVEYORS
 908 W. Wall - 682-1653
 Midland, Texas 79701

Parker Drilling Company
RD RIG 38
 Suggested Location Size
 393' X 300'

LINED RESERVE PIT

TRASH PIT

ACTIVE PITS

SUCTION PIT
 SLUG PIT
 MUD STORAGE

FUEL TANK

WATER TANKS

STANDBY GENERATOR
 AC GENERATOR

PUMP NO. 1
 PUMP NO. 2

MUD MIXER
 CONCRETE PUMP MAT
 ENGINE STRUCTURE

CATWALK
 SUBSTRUCTURE
 CONCRETE SUBSTRUCTURE MAT - 27' X 52'

B.O.P. UNIT

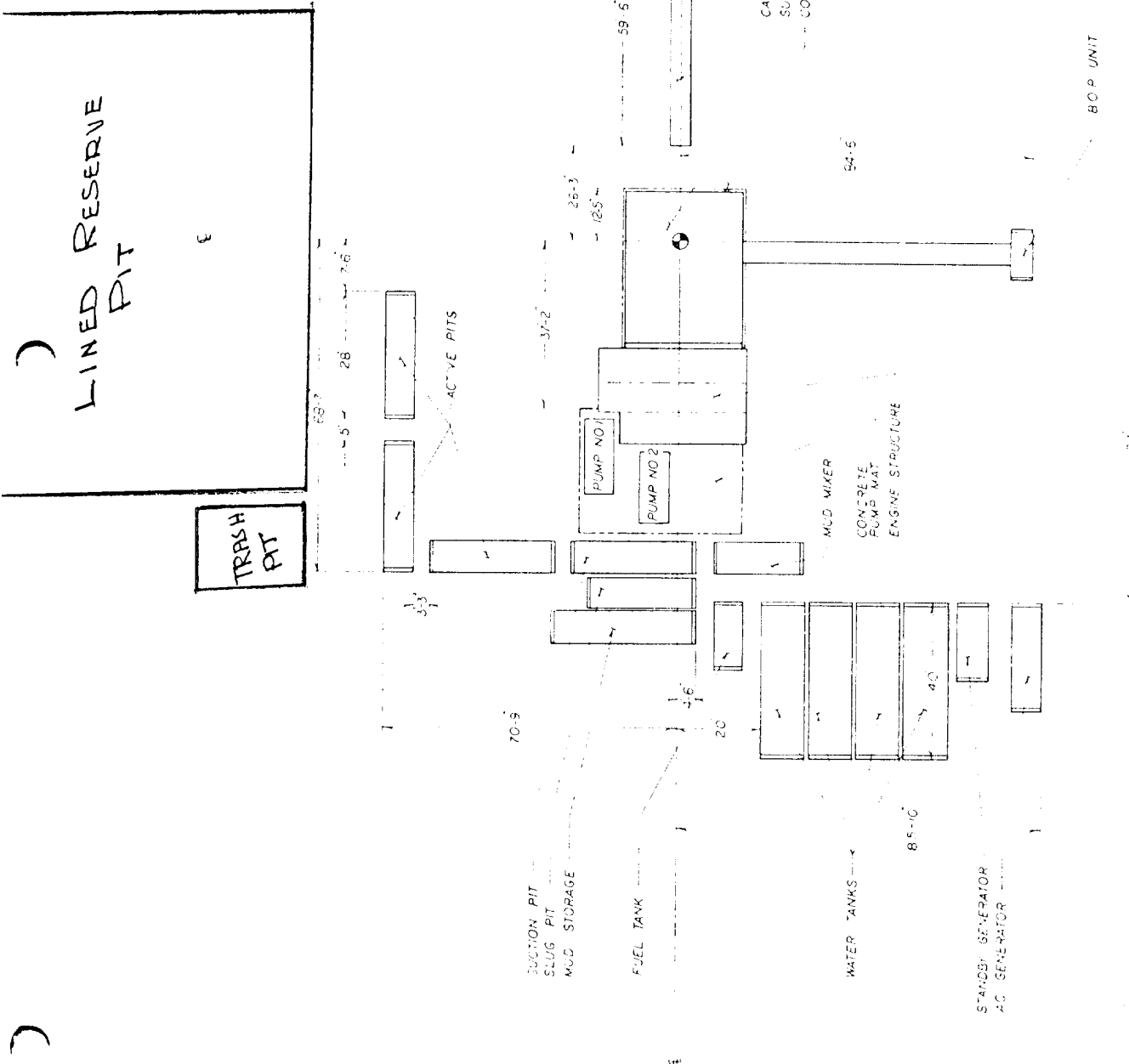


EXHIBIT "C"

RECEIVED
MAR 11 1980
OIL CONSERVATION DIV.

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