

Surface Use Plan to Accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibits A & B) From Artesia go 11½ miles west on U.S. 82, then north for 3 miles on caliche road, county-maintained, then east on ranch road for 2.1 miles. (For inspection, 9½ miles west on U.S. 82 and 0.3 mile north to Collins Ranch house then northeast on ranch road to windmill in NW corner of Section 1-17S-24E, then northwest & north along fence for 0.6 mile & west 0.4 mile to location.)
2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) Will have to cut fence and install a cattle-guard, then blade and water approximately 2000 feet, 12 feet wide, with 2 or 3 turnouts, south across a rocky ridge to location. There is a stake with red tape on fence where cattleguard will be installed; another stake south on top of the rocky ridge outlines the proposed access road.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibits A & B) This well is a wildcat. Nearest Oil & Gas tests are 4 or 5 dry holes in a 3.5 mile radius from SW to SE. There are several windmills within a 2 mile radius of this location.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) If a producer, the tank battery will be located on the SW corner of the pad and the flowlines will be 2 inch steel and above ground.
5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit B) Drilling water will be trucked from any available commercial source.
6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit B) Broken rock from proposed roadway across rocky ridge just north of location. There is an open caliche pit in NE quarter of Section 27-16S-24E.
7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit C) Well cuttings will be disposed of in the reserve pits; mud sacks, paper & garbage will be burned; garbage will be accumulated in trash barrels and disposed of by burning or buried three feet in the burn pit. If productive, produced water will be collected in a tank and hauled away.
8. ANCILLARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Exhibit C shows position of drill pad, rig, reserve pits, burn pit, mud pits, jet sump, pipe racks, pumps, water tanks. (1) Pad size - 270' X 220'. (2) Cut and fill - 1' to 2' cut from NW side of pad to fill SE side of pad. (3) To be surfaced with broken rocks and caliche. (4) Reserve Pit - 80' X 120', plastic-lined. (5) Pad is flagged with red tape, pit area is flagged with blue tape.
10. PLANS FOR RESTORATION OF SURFACE: If well is productive, pits will be fenced until dry, then back-filled and levelled as soon as practical. Location will be cleaned, all excess material removed from location. Upon abandonment, location will be cleaned and levelled or restored in compliance with BLM stipulations.
11. OTHER INFORMATION: (a) Terrain is gently rolling with a rocky ridge north of the location.  
(b) Soil is a sandy loam & rocky.  
(c) Vegetation consists of prairie grass, fileree, yucca, broomweed, greasewood & cactus.  
(d) There are no ponds or streams in the area. The nearest windmills or water wells are located 0.5 mile northwest and 1 mile to the west.  
(e) The nearest residences or building are located 2 to 3 miles to the south.  
(f) Surface use is grazing.  
(g) The effect on the environment will be minimal; drillsite is in semi-arid desert country, wind-blown and natural re-seeding.  
(h) Surface ownership is Mrs. Hazel Beavers of Sweetwater, Texas and Mr. Fred Collins of Artesia, NM.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood, Leon Bergstrom, or James Jonas, 207 South Fourth Street, Artesia, NM, phone 746-3558.
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 Yates Petroleum Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

March 15, 1977

Date

Eddie M. Mahfood, Engineer

Name and Title