

SURFACE USE AND OPERATIONS PLAN  
MESA PETROLEUM CO  
DERRICK FEDERAL #2  
2160' FNL & 660' FEL  
Lot 9, Sec 5, T16S, R28E  
EDDY COUNTY, NEW MEXICO  
LEASE: NM-33277  
January 15, 1980

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EDDY COUNTY, NEW MEXICO

The following information and plan is submitted for the subject well by Mesa Petroleum Co.

1. Existing roads in the vicinity of planned well are shown on attached Exhibit II. As shown, the planned well is approximately 10-1/2 miles east-southeast of Lake Arthur, New Mexico. The subject well can be reached by traveling from Lake Arthur 3.3 miles east and south on Highway 507; then 7 miles east on improved county road. At this point, turn south about one mile across gentle sloping terrain to the Derrick Federal Com #1, hence due east for .6 miles to proposed location.
2. The planned access road is depicted by attached Exhibits II and III. Grading, and topping with caliche, is all that is planned for the proposed access road. The access road will be 12 feet in width (20' ROW width). A typical cross section is shown by Exhibit IV. There will be no culverts set because elevation change from existing road to proposed location is about 20 feet in 1/2 mile as indicated by Exhibit VI.
3. Exhibit III illustrates all wells within a one mile radius.
4. If the subject well proves commercial, gas separation-process equipment and tank battery will be located on the subject well's drilling pad. There are no gas or oil lines in the immediate area.
5. Both fresh and brine water utilized to drill the subject well will be hauled to location by truck transport over the existing and proposed access road. The source for brine water is near Artesia, New Mexico. The fresh water source is near Lake Arthur.
6. Top soil from the location proper will be stock piled near the location for future re-habilitation use. No surface materials will be disturbed except those necessary for the actual grading - leveling of the drill site and access road. (See Exhibit IV). With the exception of the 6" caliche top coat (compacted), all construction materials will be of local origin. Caliche to be used for topping the roadway and location, is located approximately 4 miles northwest of the proposed location in an existing open pit (NW/SE 25-15-26). The caliche will be transported over the existing and proposed access roadways.
7. Drill cuttings will be accumulated in the earthen reserve pit which will also be plastic lined. After the pit has sufficiently dried following drilling operations, the solids accumulation will be buried. Trash and garbage will