SURFACE USE AND OPERATIONS PLAN

BURNETT OIL COMPANY, INC.
JACKSON "B" WELL #33

1980' FNL and 2080' FWL
Section 1-17S-30E
Eddy County, New Mexico
Lease NM-2747
(Development Well)

RECEIVED
MAR 0 6 1981
OIL & GAS
U.S. GEOL. SURV.

This well will originally be completed as a producing well, and may be converted to a water injection well at a later date.

1 & 2. EXISTING ROADS AND PLANNED ACCESS

Exhibit "A" shows a map of the general area. State Highway #83 travels eastward from Loco Hills and is indicated on the map. Approximately 2¼ miles east of Loco Hills a hard surfaced county road goes northward. Go approximately 3¼ miles north and slightly northeast. Well #33 is approximately 100 feet to the east. A short access road 10 feet wide constructed of caliche will connect pad to county road.

3. LOCATION OF EXISTING WELLS

Existing wells are shown on Exhibit "A".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Tank battery serving the lease is located in the southeast quarter of Section 1, between well #18 and #19. Flow lines are shown on map in blue. Flow line from well #33 will go south for 1/4 mile and tie in to existing lines. Line will be laid on top of ground, but a right-of-way will be constructed. In the event that the well is converted to an injection well at a later date, an injection line will be laid to well #32 and tied into injection system at this point.

5. LOCATION AND TYPE OF WATER SUPPLY

Water for drilling will be obtained from the Burnett water injection system. If additional water is needed, this will be trucked from Loco Hills.

6. SOURCE OF CONSTRUCTION MATERIALS

Caliche for surfacing access road and location pad will be obtained from an existing pit about 100 yards south of location.

7. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human

[illegible]

[illegible]
[illegible]
[illegible]

[illegible]
Section 1-17S-[illegible]
[illegible] County, New [illegible]
Lease [illegible]
(Development Well)

This well will originally be completed as a producing well, [illegible] to a water injection well at a later date.

1. [illegible] AND LOCATING MAPS

Exhibit [illegible] shows a map of the general area. [illegible] analyzed from Loco Hills and is located on the [illegible] 2½ miles east of Loco Hills [illegible] surfaced [illegible] 30 approximately 2½ miles north and slightly northwest. [illegible] approximately 100 feet in the north. [illegible] construction of caliche will commence [illegible].

2. LOCATION OF EXISTING WELLS

Existing wells are shown on Exhibit [illegible].

3. LOCATION OF EXISTING PRODUCTION FACILITIES

Tank battery serving the lease is located in the southeast [illegible] of Section 1, between well #18 and [illegible]. [illegible] shown [illegible] in blue. New line from well #[illegible] will go north [illegible] in to existing lease. Line will be laid on top of ground [illegible] right-of-way will be constructed. In the event that the well [illegible] converted to an injection well at a later date, an injection [illegible] will be laid to well #[illegible] and line injection system [illegible].

4. LOCATION AND TYPE OF WATER SUPPLY

Water for drilling will be obtained from the Devonian water [illegible] system. If additional water is needed, this will be [illegible] Loco Hills.

5. SOURCE OF CONSTRUCTION MATERIAL

Caliche for surfacing access road and location pad will be obtained from an existing pit about 100 yards south of location.

6. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. Any produced during tests will be stored in tank [illegible].

D. Trash, lace and equipment particular to the drilling [illegible]

waste will be complied with.

E. Trash, waste paper, garbage and junk will be buried in separate trash pit and covered with a minimum of 24 inches of dirt. Location of trash pit 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

None.

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 well site will be required.

C. Exhibit "B" shows contour map.

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 wellsite in neat condition.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. The pit area, well pad, and all unneeded access road will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.

11. OTHER INFORMATION

A. Topography: Land surface is relatively flat with small hill areas and sand dunes.

B. Soil: Soil is a deep fine sand underlain by caliche.

C. Flora and Fauna: The vegetative cover is generally sparse and consists of mesquite, yucca, shinnery oak and very little native grass. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.

waste will be complied with.

7. Trash, waste paper, garbage and junk will be burned in approved trash pit and covered with a minimum of 24 inches of dirt. Location of trash pit is shown on Exhibit "B".

8. All trash and debris will be buried or removed from the site within 30 days after finishing drilling and completion activities.

9. ANCILLARY FACILITIES:

None.

10. WELLSITE LAYOUT:

A. Exhibit "B" 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 well site will be necessary.

C. Exhibit "B" shows contour map.

11. 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 wellsite in neat condition.

B. Any unguarded pits containing fluid will be fenced until they are filled.

C. After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. The pit liner, well head, and all unused equipment will be stored to prevent accidents. Rehabilitation should be accomplished within 90 days after abandonment.

12. OTHER INFORMATION:

A. Topography: Land surface is relatively flat with small hills, ravines and sand dunes.

B. Soil: Soil is a deep fine sand containing no rocks.

C. Flora and Fauna: The vegetation cover is generally sparse and consists of mesquite, yucca, shinnery oak and very little native grass. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks and quail.

D. Ponds and streams: There are no rivers, streams, lakes or ponds in the area.

E. Residences and Other Structures: The nearest occupied dwelling is a lease house located about 1½ miles south, as shown by Exhibit "A".

F. Land Use: Grazing and hunting in season, although the principal use is production of oil.

G. Surface Ownership: Wellsite is on Federal land.

12. OPERATORS REPRESENTATIVE

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

Mr. Rayford Starkey
1515 Ray Ave.
Artesia, New Mexico
Home Phone: 746-4619
Office Phone: 677-2313

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

3-4-81
Date

Rayford Starkey
RAYFORD STARKEY
DISTRICT SUPERINTENDENT

5. Residences and Occupations: The nearest occupied dwelling is a lease house located about 1½ miles south, as shown in Exhibit "A".

6. Land Use: Grazing and hunting in season, although the predominant use is production of oil.

7. Water Wells: Nellie is on federal land

12. [illegible]

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

Mr. Hayden Starkey
1217 Dev. Ave.
Artesia, New Mexico
Home Phone: [illegible]
Office Phone: [illegible]

13. [illegible]

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 Burnett Oil Company, Inc., and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

[illegible]
Date

[illegible]
Drilling Superintendent