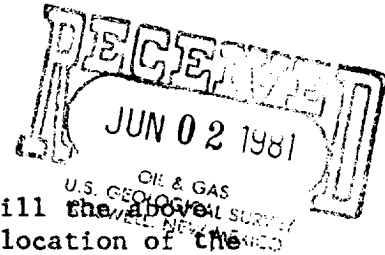


MULTI-POINT SURFACE USE AND OPERATIONS N

Lucille F. McKinley
Artesia Petroleum Co. -- Well No. 4
890' FNL & 890' FEL, Sec 1, T17S, R30E
Eddy County, New Mexico
Lease: LC029339B
(Development Well)



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 well, the proposed construction activities and operations plan, 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 operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a New Mexico State Highway Map showing the location of the proposed well as staked, approximately 33 miles east of Artesia, New Mexico. Exhibit "A1" is a portion of a BLM Quad map showing the same location.
- B. Travel east on U. S. Highway 82 approximately 29 miles east of Artesia, New Mexico, which will be 2.2 miles east of Loco Hills, New Mexico, where a paved road turns north. There is a cattleguard to cross and several oil company signs at this turnoff. Travel north for 3.9 miles passing a cattle loading chute on the left (west). The existing access road to this lease starts .1 mile past the loading chute turning Northeast (right) from the paved road. Travel approximately .5 mile on this existing access road to the tank battery for the lease. The proposed access road will start at a point just north north of the tank battery and run east for approximately 500 feet to the proposed location. The proposed road is marked by surveyor stakes and ribbons.

2. PLANNED ACCESS ROADS:

- A. Length and Width: The new access road will be 12 feet wide (20' ROW) and approximately 500' long, from the point of origin on the existing access road just north of the lease tank battery to the proposed drilling pad. The new access road is labeled and coded in red on Exhibits "A" and "B". The centerline of the new road has been staked and flagged.
- B. Construction: The new road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: One passing turnout may be constructed at the point of origin of the new access road, to allow for turning and passing.
- D. Culverts: None required.
- E. Cuts and fills: There will be some minor cutting and filling because of the sand dunes and the sloping terrain.
- F. Gates, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a one mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND /OR PROPOSED FACILITIES:

- A. If the proposed well is completed for production a surface flow line will be laid to the existing tank battery. No additional surface disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water. The water will be obtained from either private or commercial sources and will be trucked to the well site over the existing roads and the proposed access road.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the road and well pad will be obtained from an existing pit on this same lease (Federal). The pit is located across the road south of the Artesia Petroleum Co. Well No. 1. This pit has been surveyed and cleared by New Mexico Archaeological Services, Inc. of Carlsbad, New Mexico in their report dated March 12, 1980, when the Artesia Pet. Co. Well No. 3 was drilled. A copy of this report is included for BLM.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cutting will be disposed of in the reserve pits, and covered.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing material to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for approval.
- E. Oil produced during operations will be collected in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and other debris 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 the wind. If the well is productive, maintenance waste will be placed in special trash cans and hauled away periodically.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLIARY FACILITIES:

- A. No air strip, camp or other facilities will be required.

9. WELLSITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pits, trash pit, and major rig components. The pad and pit area has been surveyed, staked and flagged.
- B. There will be some cutting from the north side of the wellsite of 4 - 6 feet which will be used to level the pad to the south, southwest because the site is on the side of a sand ridge with a 10 foot in 200 feet slope to the south-southwest.
- C. The reserve pit will be plastic lined.

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 a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The land surface in the vicinity of the wellsite and the proposed access road is rolling sand hill with a south-southwesterly slope of 10 feet per 200 feet.
- B. Soil: The soil is fine soft sand over a clay loam base with occasional outcrops of caliche.
- C. Flora and Fauna: The vegetative cover consists of very sparse miscellaneous grasses, mesquite, yucca and shinnery oak along with other miscellaneous desert flowers and weeds. Rabbits were observed in the area and other wildlife probably includes those typical of semi-arid desert land.
- D. Ponds & Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: There are no residences, water wells or other structures in the immediate vicinity of the proposed well.

11. F. Land Use: Cattle grazing.

G. Surface Ownership: The well site and new access road is on Federal surface.

H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey has been conducted by New Mexico Archaeological Services, Inc., P. O. Box 1341, Carlsbad, New Mexico 88220, and their report has been submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

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

Mr. Orlando Briscoe
P. O. Box 165
Loco Hills, New Mexico 88255
Home Phone: 505-677-3415

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 Lucille F. McKinley and her contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

May 29, 1981



George R. Smith
Phone: (505) 623-4940
Agent for:
Lucille F. McKinley