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Bureau of Land Management
Lands & Minerals
2909 W. Second St.
Roswell, New Mexico 88201

Ms. Linda Askwig,

Following is a "Surface Use and Operation Plan" for the drilling of Nadel and Gussman's Atalaya Federal #3 well located 1175' FSL & 430' FWL Sec. 35, T17S, R30E, Eddy County, New Mexico. **Please disregard the prior drilling application for the Atalaya #3. This application supercedes it. Barry Hunt has approved the location and there are no archeological or environmental problems.**

13 Point Land Use Plan

1. Existing Roads - A small scale map is attached (Exhibit #1) which shows the location of this well in relation to Loco Hills, New Mexico. A larger scale map is attached (Exhibit #2) which shows existing caliche roads in bold ink. The nearest paved road is County Road 217 located approx. 3 miles West of this location.
2. Planned Access Roads - There is a proposed caliche road, which is shown as dashed line in Exhibit #2. No cattle guard is planned at the fence crossing but a gate will be installed.
3. Location of Existing Wells - All existing wells on lease are indicated an Exhibit #2; there are no exploratory wells presently being drilled within a two-mile radius.
4. Location of Tank Batteries, Production Facilities & Lines -
 - Since this will be the 3rd well on the Atalaya Federal lease, there will be no tank battery built. See Exhibit #3 for the existing tank battery layout on Atalaya Fed #1 well site.
 - A flowline is proposed (see dashed line from Atalaya Fed #3 wellsite, Exhibit #2) along the proposed new road ROW from Atalaya Fed #3 to Atalaya Fed #1 wellsite where tank battery is located (see Exhibit #3)
 - Produced water from this lease will be piped via an existing line from the Atalaya Fed #1 battery to a SWD well owned by Shahara to the north of the Atalaya Fed #1 wellsite.
 - The existing power line is shown in bold ink and the proposed power line as a dashed line (see Exhibit #2)
5. Location & Type- of Water Supply - Fresh water to be used at this drilling site will be supplied by I & W, Inc. of Loco Hills and will be hauled from Double Eagle Water Company (City of Loco Hills) taps in the Loco Hills area. Brine water will be hauled by I & W, Inc. and will be hauled from Loco Hills Salt Water & Brine Station, Inc. located on County Road 217 approximately ½ mi. N. of Loco Hills.
6. Source of Construction Material - Primary source of caliche will be the reserve pit area of the new drilling location. The alternate source will be from an existing caliche pit located in the NW/4 of the NW/4 of Sec. 35, T17S, R30E, which belongs to the U. S. Government.