

Belco Petroleum Corporation

Belco

December 5, 1973

United States Geological Survey
P. O. Drawer "U"
Artesia, New Mexico 88210

Re: Belco Petroleum Corporation
Yates-Federal No. 1
660' FNL & 1980' FEL
Section 34, T-18-S, R-25-E
Eddy County, New Mexico

Gentlemen:

1. Existing Roads - County road into the 100 Ranch is the nearest existing road.
2. Planned Access Roads - It is planned to build a short road 1500' due west to the location from an existing lease road.
3. Location of Wells - This is the second Belco Petroleum Corporation well in the area being a northwest offset to the Belco Petroleum Corporation Yates-Gushwa Well No. 1.
4. Lateral Roads to Well Locations - The roads to the wells are shown on the attached plat.
5. Location of Tank Batteries and Flowlines - In case of production, any tank battery or necessary producing facility would be placed upon the drilling pad.
6. Location and Types of Water Supply - Water for drilling a well will be piped to the location through a temporary line laid to a water well in Section 34.
7. Methods for Handling Waste Disposal - It is planned to build an 8' X 4' X 4' waste pit next to the reserve pit in which to dispose of all waste.
8. Proposed Disposition of Produced Brine Water - Subject well is a gas prospect and no water production is anticipated; however, any produced brine water would be disposed of by hauling to a commercial water disposal well.
9. Disposition of Casinghead Gas - There is a ready market in the area for casinghead gas and the low pressure casinghead gas will be sold.

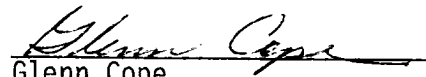
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10. Location Layout - Attached is a diagram of the location showing the position of the various components of the system.
11. Plans for Restoration of the Surface - In case of a dry hole or upon abandonment of the well, all pits and cellars will be filled and leveled. The location will be leveled as nearly as possible to original top ground contour with all dead men removed, all junk and trash disposed.

Very truly yours,

BELCO PETROLEUM CORPORATION



Glenn Cope
District Engineer

GC/s1

Attachments