

Yates Petroleum Corporation - Federal "AB" #5
1980' FSL & 660' FWL, Section 21-18S-25E, Eddy County, New Mexico

Surface Use Plan To Accompany Any Applications to Drill Federal Lease

1. EXISTING ROADS: Refer to Exhibits A & B. The site is located approximately 15 miles by road south and west of Artesia. Travel six (6) miles south of Artesia on US 285 to the 4-Dinkus Ranch Road. Turn west and travel another five (5) miles to a well road running south off the 4-Dinkus Ranch Road. Follow the ranch road south across the Rio Penasco, the El Paso Gas Line; approximately three-fourths (3/4) of a mile after crossing the gas line the road will turn west, past a caliche pit, then wind north to the Antweil Dinkus Comm #1.
2. PLANNED ACCESS ROADS: Refer to Exhibit B. From the Antweil Dinkus Comm #1 a new access road will be constructed north and west directly to the proposed well site. Approximately one mile of new road 12 feet wide with bar ditches will be constructed. Drainage swales will be constructed to insure that the road will not wash out.
3. LOCATION OF EXISTING WELLS: Refer to Exhibits A & B. There are three water wells within a 2 mile radius of the proposed well. Two (2) dry gas wells exist to the north of the proposed site and four (4) gas wells are immediately accessible to the proposed location.
4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES: Refer to Exhibits A, B & C. Reserve and circulation pits will be located on the southeast side of the pad. Tank battery will be located on the east side of the pad. Entrance to the pad will be from the south. Location of a pipeline to the pad has not been established at present.
5. WATER SUPPLY: Refer to Exhibits A & B. The well will be drilled with a fresh water system. Water will be obtained from a commercial source and will be hauled to the location by truck over existing and planned roads.
6. CONSTRUCTION MATERIAL: Refer to Exhibits A & B. Caliche will be purchased from the Diamond A Cattle Company and obtained from the already existing pit in the southeast quarter of Section 28-18S-25E. Both the road and pad will be constructed of caliche.
7. WASTE DISPOSAL: Refer to Exhibit C. Well cuttings will be disposed of in reserve pits; mud sacks, paper and garbage will be burned; garbage will be accumulated in trash barrels and disposed of by burning or buried three feet in the burn pit. If the well is productive, produced water will be collected in a tank and hauled to a disposal site.

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