

Anadarko

PRODUCTION COMPANY

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A
Panhandle
Eastern
Company

May 11, 1981

Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88220

Gentlemen:

Following is the "Surface Use and Operation Plan" for the drilling of Anadarko Production Company's Ballard Grayburg San Andres Unit Tract No. 11, Well No. 6 located 330' FNL & 200' FEL Sec. 6, T18S, R29E, Eddy County, New Mexico. This is an unorthodox location.

1. Existing Roads - A small scale map is attached (Exhibit #1). It shows the location of this well in relation to Loco Hills, New Mexico Townsite.

A larger scale map (Exhibit #2) shows State Highway #360 and County Road #139 in blue. The existing caliche roads are shown in orange. The nearest caliche road is now located approximately 1000' East of this drill site.

2. Planned Access Roads - A 12' wide caliche road is to be built between this drill site and an existing road which is approximately 1000' East. This new road is shown as a dashed green line on Exhibit #2.

There will be no fence to cut or cattleguard to set.

3. Location of Existing Wells - All existing wells on lease are indicated on enclosed map. There are no exploratory wells being drilled within a two mile radius.

4. Location of Tank Batteries, Production Facilities and Lines - There is a central tank battery located on the Ballard Unit in the SW/4 of NW/4 of Sec. 8, T18S, R29E. All production on the Ballard Unit is piped to this central tank battery. Existing lease lines to central tank battery are shown in black; proposed line to location is dashed blue on Exhibit #2.

5. Location & Type of Water Supply - Fresh water to be used at drilling site will be supplied by I & W Trucking or Jim's Water Service and will be hauled from our Ballard Unit Water Plant and from Double Eagle Water Company (City of Carlsbad) taps in the Loco Hills area.

Brine water will be hauled by I & W or Jim's Water Service from B & E, Inc. located on County Road #139 approximately 10 miles Southwest of Loco Hills, New Mexico.

6. Source of Construction Material - All caliche will be hauled from an existing caliche pit located in the SW/4 of SW/4 of Sec. 8, T18S, R29E, Eddy County, New Mexico. This caliche belongs to the U. S. Government and is indicated on Exhibit #2 in green.