

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
MYCO Industries, Inc.
East Turkey Track Federal Com. #1
1980' FSL + 1980' FWL of
Section 23-T18s-R29e
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM Topographic map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 7 miles Southwest of Loco Hills N.M. The route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Go East from Artesia on Highway 82 for approximately 14 miles to the junction of US 82 and State Road 360.
2. Go Southeast on State Road 360 to mile marker 12.
3. Turn left at first cattle guard past City Rd 210, go NE on existing road to Premier Prod. Yates Premier Fed. #2, go SE to Alice Fed. #1 and East to Alice Fed. #2, new road will start here (see Exhibit A).

2. PLANNED ACCESS ROAD

1. The proposed new access road will be approximately 980' in length from point of origin to the south edge of the drilling pad. The road will lie in Northeasterly direction.
2. The new road will be 12 feet in width (driving surface).
3. The new road will be bladed with drainage on one side. No turnouts will be built.
4. The route of the road is visible.

3. LOCATION OF EXISTING WELL

- A. There is no drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh and brine water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. If needed construction materials will be obtained from the drill sites excavation.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk 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 wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.