

SURFACE USE PLAN

R. C. Bennett & J. C. Ryan, Well No. 1 Pecos River-Federal
1980 FWL & 680' FNL, Sec 34, T19S, R27E
Lease NM 0557557, Eddy County, New Mexico

1. Existing Roads--U.S.G.S. Topographical map marked as Exhibit "A" and Land Plat marked as Exhibit "B" shows existing roads with exit from the main Highway 239 to Carlsbad. This road passes by our location 660' to the north.
2. Planned Roads--330' of existing road will be improved and 330' of new road will need to be built. No fences will be crossed and no cattle guards will be used.
3. Location of Existing Wells--All wells within a two mile radius of the proposed location are marked on Exhibit "B".
4. Tank Batteries, Production Facilities & Lease Pipelines--There are no tank Batteries, or flow lines controlled by the operator within a one mile radius of the proposed location. Exhibit "C" shows the proposed location of the tank battery which will be fenced as a protection to livestock.
5. Water Supply--Water needed for dilling will be trucked from supply wells near Carlsbad. No Water supply will be developed on the lease.
6. Construction Material--No construction material will be needed except for caliche use in making the location pad. This will be acquired by the dirt contractor from existing pits in the Carlsbad area.
7. Water Disposal--Waste material including garbage, drilling fluids will be contained in plastic lined pits at the location. Incendiary material will be burned on location. Other items will be hauled away or buried with a minimum cover of 24 inches of dirt. If well is productive wastes will be placed in special trash cans and hauled away periodically.
8. Ancillary Facilities--No camps or air strips will be required.
9. Wellsite Layout--Please refer to Exhibit "C".
 - a. Mat Size--230' x 250'
 - b. Cut & fill--There is an average of 3 feet difference in elevation from south to north. Approximately 15 inches surface soil will be moved from north to south to approximately level mat.
 - c. Surfaced--Will be topped with 6 inches of caliche, bladed, watered, and compacted.
 - d. Reserve pit-- 170' x 190', lined with plastic joining mat to north.
 - e. Drill Site Layout--Exhibit "C" shows position of mat, reserve pits, burn pits, trash pits, and mud pits in relation to well. Rig will be erected with V-door to the East.

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10. Restoration of Surface--If well is productive, pits will be backfilled and leveled as soon as practical. All plastic lining and other waste material will be removed or buried with at least 24 inches of cover. At the time of final abandonment, other U.S.G.S and B.L.M. restoration stipulations will be complied with.

11. Other Information

Setting and Environment

Terrain--Low rolling sand hills. See Exhibit "A", topographic map of area.

Soil--sandy soil.

Vegetation--sparse vegetation, being mostly shinnery and other semi-desert plants, with very little grass.

Distances to Nearest:

Ponds & Streams--There are no surface waters within two miles

Water Wells--There are no water wells within two miles

Residences & Buildings--There are no houses or buildings within two miles.

Arroyos, Canyons, Hills, etc.--Outside of low rolling sand hills, there are no surface features within 1/2 mile.

Surface Use--Grazing

Effect on Environment--Drillsite, which is in nearly flat semi-arid desert country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be minimal.

Surface Ownership--The proposed drill site is on Federal Land.

Open Pits--All unattended pits containing mud or other liquids will be fenced.

Well Sign--Sign identifying and locating well will be maintained at drillsite commencing with the spudding of the well.

12. Operator's Representatives--Personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

R. C. Bennett
P. O. Box 264 (102 Permian Building)
Midland, Texas 79701
Office Phone: (915) 683-3062
Home Phone: (915) 694-2721

John C. Ryan
P. O. Box 1503 (320 Building of the Southwestern)
Midland, Texas 79701
Office Phone: (915) 682-4744
Home Phone: (915) 694-3966

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by R. C. Bennett and J. C. Ryan and their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date

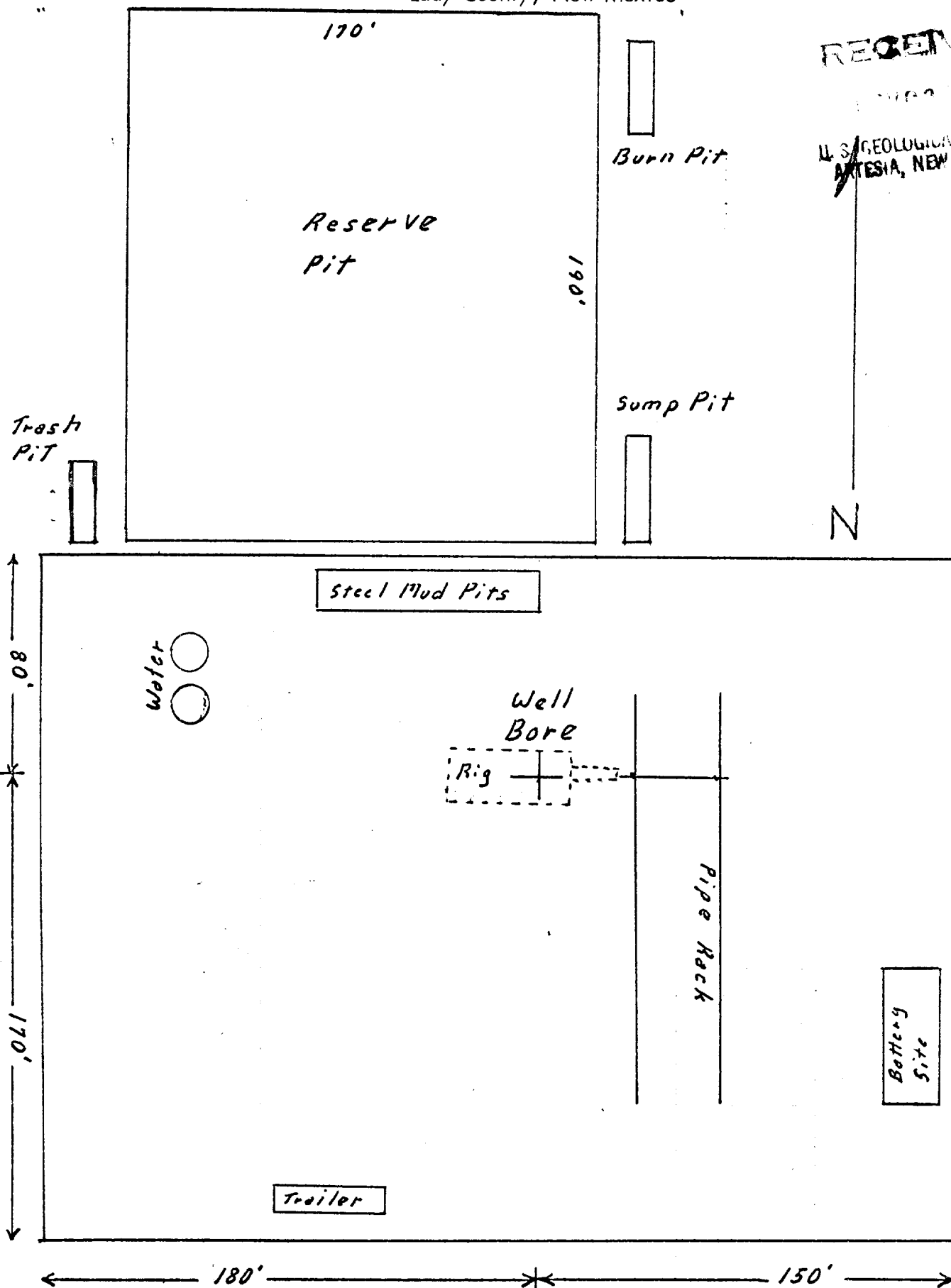
R. C. Bennett, Partner

R. C. Bennett & J. C. Ryan: Pecos River--Federal No. 1
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EXHIBIT "C"

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Scale 1" = 50'

Attachment to Form 9-331-C

Pecos River-Federal No. 1 is to be drilled with a rotary rig to a depth of approximately 10,700 feet. The objective is the Morrow sand formation expected at 10,270 feet. All intermediate shows of oil or gas will be tested at the discretion of the wellsite geologist. No cores will be taken.

A 12" 900 Series stock BOP and Hydrill will be installed on 13 3/8" surface casing. Two 10" 1500 Series stock and Hydril will be installed on the 8 5/8" intermediate casing. All will be tested before drilling out cement and periodically thereafter.

Fresh water with native mud, gel, and lime will be used to drill to 8100 feet. Will add brine water for weight if gas is encountered to that depth and material to retain circulation. Brine water to maintain 9.7-9.8 ppg weight will be used 8100-10150 feet. Brine water based medium with additives of barite, soda ash, gel, etc. to maintain desired weight, viscosity, PH, water loss 6 cc or less will be used to drill 10150 to total depth.

Formation Tops

Yates	250'
Queen	1150'
San Andres	2075'
Wolfcamp	8000'
Wolfcamp Reef	8090'
Penn Lime	8450'
Atoka	9795'
Morrow Clastics	10270'
Barnett	10525'

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Pecos-River--Federal No. 1

1980' FWL & 660' FNL
Section 34, T19S, R27E, NMPM
Eddy County, New Mexico

1500 Series Blow-out Preventor with Manifold, 6000# Working Pressure

EXHIBIT "D"

