Multipoint Surface Use and Operations Plan

Phoenix Resources Company

RECEIVED Gardner Draw Unit Well No. 5

MAY 2 4 1978

U. S. ECULUAINAL SUNVEY ARTESIA, NEW MEXICO

1980' FEL, 1700' FSL, Section 20, T-19-S, R-21-E

Eddy County, New Mexico

New Mexico Lease 7794

This plan is submitted with the Application for Permit to Drill 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 necessary surface disturbances involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. Existing Roads:

- Existing roads in the vicinity of planned well are shown on the attached Exhibit "A". The well is located approximately 12 miles Southwest of Hope, New Mexico. To reach the location, go South of Hope 6 miles to a "Y" in the road, take the right fork. Continue on where pavement ends until you reach the next "Y" in the road. Take the right fork to proposed location. This route is marked with BLUE on Exhibit "A".
- B. An existing road runs within 20' of the proposed well. Some grading will be required on this road.

Planned Access Roads:

Since an existing road is close by, it will be utilized with a new road being built as indicated in RED in Exhibit "A" approximately 20' long.

No new gates or cattleguards are required.

- Location of Existing Wells:
 - A. Existing wells within a one-mile radius are shown on Exhibit "B".
- Location of Existing and/or Proposed Facilities:
 - There is no production equipment on this lease at present. If production is established, a tank battery will be built on the drilling pad and no additional surface disturbance will occur.