

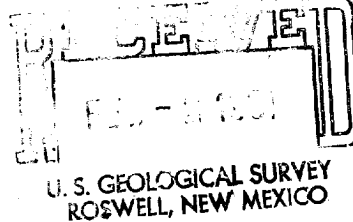
Anadarko
PRODUCTION COMPANY

A
Panhandle
Eastern
Company

P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 677-2411

January 30, 1981

United States Geological Survey
P. O. Drawer U
Artesia, New Mexico 88210



Gentlemen:

Following is the "Surface Use and Operation Plan" for the drilling of Anadarko Production Company's Federal Hanson Com Well No. 1, located 1910' FSL & 2250' FEL Section 20, T19S, R31E, Eddy County, New Mexico.

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

A second map (Exhibit #2) shows State Highway #31 in blue. The existing caliche lease roads are shown in orange. An existing road will intersect this drill site.

2. Planned Access Roads - No access roads are needed since this location will include an existing caliche road. This road will need to be rerouted around the South side of the caliche pad as shown on the attached well site layout plat. 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 maps (Exhibits #1 and #2). There are no exploratory wells being drilled within a two mile radius.

4. Location of Tank Batteries, Production Facilities and Lines - Tank battery is indicated on a separate attached plat (Exhibit #3). The drilling pad will be converted into the production pad where all production facilities, tank battery and lines will be located.

5. Location & Type of Water Supply - Fresh water to be used at drilling site will be furnished by Double Eagle Water Company (City of Carlsbad) from a line tap approximately 5 miles Northeast of the drill site.

This water will be trucked to the drill site by Steve Carter & Son, Inc. Trucking Company of Maljamar or I & W Trucking Company of Loco Hills, New Mexico.

Salt water will be used while drilling from 9000' to T D (12,500'). This brine will be trucked from a Steve Carter Trucking Company tank located near the Lusk Plant on Highway #31 or by I & W Trucking Company or Steve Carter Trucking Company from an alternate source on Highway #529.

6. Source of Construction Material - All caliche will be hauled from an existing caliche pit located approximately one-half mile Southwest of the drill site (SW/4 SW/4 Sec. 20, T19S, R31E). See Exhibit #2.

This pit has been cleared by an archaeological study.