

MULTI POINT SURFACE USE AND OPERATIONS PLAN

CHI OPERATING, INC
Wizard Federal Com., Well No. 2
1725' FNL & 660' FEL, Sec. 1 -T19S-R30E
Eddy County, New Mexico
Lease No.: NMLC-063613
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Hackberry Lake Topo map showing the location of the proposed well as staked. The well site location is approximately 36 road miles southeast of Artesia, NM. Traveling east of Artesia on U.S. Highway 82, NM Hwy 360 and county roads No. 250 and 251, there will be 33 miles of paved highway, plus 3 miles of existing gravel oilfield roads.
- B. Directions: Travel east from U. S. Highway #285 in Artesia, NM on U. S. Highway 82 for approximately 14 miles, turn southeast on NM Hwy 360 for approximately 13 miles to paved County Rd #251. Turn north on #251 for 1.8 mile to County Rd. # 250, then turn right on #250 for 3.8 miles to top of Nimenim Ridge. Turn south onto a gravel oilfield road just west of a cattle guard with a pipeline buried near the road. Continue south for .8 mile to a large tank battery and injection pump house; turn right (west) for .25 mile to a pump jack, then south (left) for .5 mile to another pump jack. Turn left (east) for .25 mile, circling around to the north of a producing well and pump jack. The existing access road will enter the southeast corner of the proposed well site and a detour of the existing road to the north will be constructed on the east side of the drill pad.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There detour will be approximately 300 feet, 12 feet wide (24' Max.) on the east side of the proposed well site. The proposed and existing roads are color coded on Exhibit "A".
- B. Construction: The new access road will be constructed by grading and topping with compacted caliche. The existing access road will be graded and repaired as required.
- C. Turnouts: One increasing the road width to 20 feet for passing will be constructed at the midpoint of the existing access road.
- D. Culverts: None required.
- E. Cuts and Fills: There will be some minor leveling of the surface.
- F. Gates, Cattle guards: None required.
- G. Off Lease ROW: An off lease ROW No. NM-102279 was issued with a previous APD covering the existing access road in the E2 of Sec. 1-T19S-R30E.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two-mile radius are shown on Exhibit "C".