

SURFACE USE PLAN TO ACCOMPANY "APPLICATIONS TO DRILL, FEDERAL LEASE".

1. EXISTING ROADS: See Plat (Exhibit A) Approximately 23 miles South of Artesia on U.S. 285 turn West on Marathon Plant Road, go SW and West approximately 20 miles to end of blacktop, continue West and North on caliche oil-field road for 9.1 miles (1½ miles NE of Little Box Canyon crossing) to Orange flagging.

2. PLANNED ACCESS ROADS: See Plat (Exhibit A & B) Approximately 0.4 mile new road, 12' wide, with 2 turnouts, 1 fence-cut with cattle-guard while drilling & completing. Surface is weathered caliche most of the way; will have small cut along the side of ridge from fence halfway to existing road, some cover across run-off to road; 3' cut and fill off ridge onto pad on west side of fence.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibit B) Two shut-in gas wells on east side of ridge (1 direct offset, the other 1½ miles NE), 2 or 3 water wells (windmills) within 2 miles radius.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION GATHERING AND SERVICE LINES: See Plat (Exhibit C) Tank battery will be on south side of pad, flowlines on surface.

5. LOCATION AND TYPE OF WATER SUPPLY: Drilling water will be trucked to location from any available commercial source via existing roads and access road.

6. SOURCE OF CONSTRUCTION MATERIAL: There is an open caliche pit just north of the No. 1 well alongside existing road, but nearly all material will be from cuts on location and access road. Dirt contractor will be Sweatt Construction of Artesia and will be available for inspection tour.

7. METHODS FOR HANDLING WASTE DISPOSAL: Steel pits for mixing mud; reserve pit for circulating mud & cuttings; burn pit for burning mud sacks & garbage; jet sump for engine oil & trip mud; small sump for portable commode; trash barrels for house-cleaning.

8. ANCILLARY FACILITIES: None

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C)
 - (a) Well site is in top part of a box canyon with gradual slopes draining to West.
 - (b) Some 1 or 2 foot cuts on North-East-South sides to fill swag and level West side.
 - (c) The reserve pit will be plastic lined.
 - (d) The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF SURFACE: (a) After drilling & completion operations, all equipment and material not needed for operations will be removed.
 - (b) Pits will be fenced until dry, then filled or leveled and location will be cleaned.
 - (c) After abandonment, location will be cleaned and any special rehabilitation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.