

1980' FSL & 660' FEL, Section 12-20S-28E, Eddy County, New Mexico

Surface Use Plan to Accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) From Artesia, go 9 miles east on U.S. 82, 4 miles southeast to Illinois Camp road, 12.8 miles south to Angel Ranch road, then east & south on caliche road for 3.5 miles, then east 3.5 miles, then north 0.6 mile to gate, continue north 0.2 mile and NE 0.5 mile to access road. County maintained road except last 1.3 miles of lease roads. Existing wire gate will be replaced w/cattlegaurd, and roads will be bladed, caliched and watered as needed for maintenance.
2. PLANNED ACCESS ROADS: See Plat (Exhibit A & B) Approximately 600' long by 12' wide; bladed, caliched & watered. Drains gradual to south. No turnouts, no cuts or fills, no fence-cuts, no cattleguards or culverts needed. Center-line flagged. (Pink flagging).
3. LOCATION OF EXISTING WELLS: See Plat (Exhibit B) Producing Morrow gas wells offset this location in every direction, and include 2 dual-completions in Wolfcamp and 1 dual completion in Strawn. There is a windmill and a vacant building $\frac{1}{2}$ mile NE of this location. The Russell Yates Pool southeast of this location has 15 producers, 30 injection wells, and 24 shut in wells. There are several dry holes of Yates & Delaware depths in the area.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) Tanks & separation facilities in east part of pad.
5. LOCATION AND TYPE OF WATER SUPPLY: Water to be trucked from any commercial available water source.
6. SOURCE OF CONSTRUCTION MATERIAL: Construction work to be done by Boyse Trucking Company, Artesia, NM. Caliche for surfacing the road and pad will be obtained from existing caliche pit on north side of existing road in SE SW Section 17-20S-29E.
7. METHODS FOR HANDLING WASTE DISPOSAL: See Sketch (Exhibit C) Steel pits for mixing mud, reserve pits for drilling mud & cuttings, burn pit for trash & garbage, jet sump for engine oil & cellar mud, barrels for garbage, small sump for portable commode. Drilling fluids will be allowed to evaporate in reserve pits until dry. Wellsite will be leveled & cleaned up after rig is moved out.
8. ANCILLARY FACILITIES: None applicable.
9. WELL SITE LAYOUT: (a) The relative location & dimensions of the well pad, rig, tanks, pits, racks, etc. are shown in Exhibit C.
 (b) No cut & fill necessary, only minor levelling.
 (c) Reserve pit to be plastic-lined.
 (d) The pad & pit area have been staked. (Pink flagging for pad, orange for pit area).
10. PLANS FOR RESTORATION OF SURFACE: After completion, all equipment and other material not needed for operations will be removed. Pits will be fenced until dry, then leveled. Junk & trash will be buried with 3 foot of cover or removed to an approved disposal. After abandonment, location will be restored to as near original as possible or will comply with BLM rehabilitation requirements.

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