

## MULTI POINT SURFACE USE AND OPERATIONS PLAN

CHI OPERATING, INC.  
Azotea Federal, Well No. 1  
330' FSL & 660' FWL, Sec. 3-T22S-R25E  
Eddy County, New Mexico  
(Exploratory 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 Topographic Carlsbad Quadrangle map showing the location of the proposed well as staked. The well site location is approximately 8 road miles west of Carlsbad, New Mexico. Traveling west of Carlsbad from Happy Valley Rd. on County Rd. 427 there will be 2.8 miles of paved county road, plus 5.2 miles of gravel county and oilfield roads.
- B. Directions: Travel west from Carlsbad, NM on County Rd. 427 for approximately 7 miles to the crossing of Boyds Canyon. Turn northwest (right) onto gravel road just before crossing the Boyds Canyon arroya and continue NW for 1 mile. The start of the proposed access road, which is flagged on the east side of the existing access road for approximately 800 feet to the southwest corner of the staked well site.

### 2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 800 feet of new access road 12 feet wide (24' Max.). The proposed and existing roads are color coded on Exhibits "A" and "B".
- B. Construction: The new access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: None required.
- D. Culverts: None.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: There will be approximately 500 feet of R/W for new access road and 5,000 feet of R/W on existing roads through Federal surface to reach county maintained roads. See Exhibit "B".

### 3. LOCATION OF EXISTING WELLS:

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

### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.