

MULTI POINT SURFACE USE AND OPERATIONS PLAN

CHI OPERATING, INC.
Winchester Federal, Well No. 2
1930' FNL & 610' FWL, Sec. 3-T20S-R28E
Eddy County, New Mexico
Lease No.: NM-13232A
(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 Topographic Artesia Quadrangle map showing the location of the proposed well as staked. The well site location is approximately 30 road miles southeast of Artesia, New Mexico. Traveling east of Artesia on U.S. Highway 82 there will be 27 miles of paved highway, plus 3.0 mile of gravel oilfield roads.
- B. Directions: Travel east from Artesia, NM on U. S. Highway 82 for approximately 8.5 miles to SPS power station. Turn southeast (right) onto county road #204 for 3 miles, then south on county road #206 for 12.7 miles to the Angel Ranch road (county road #237), then east on #237 for 2.5 miles to an oilfield road turnoff on the east (left) side of the road leading to a well site on the hill .25 mile in. Turn north at the well site and continue north, parallel to a power line on the west, for 1.75 miles, then take oilfield road on the right for .85 mile and then north .15 mile to the Winchester Fed., Well 1 well site. The start of the proposed access road is is on the south side of this pad and runs east through a fence for 1200 feet to the southwest corner of the proposed location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 1200 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, Cattle guards: One cattle guard will be installed.
- G. Off Lease ROW: There will be approximately two miles of off lease ROW on existing oil field roads in section 4 and 9, T20S-R28E .

3. LOCATION OF EXISTING WELLS:

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