

Phillips Petroleum Company

James-E Well No. 1 = 1980' N and E lines, Section 11, T-22-S, R-30-E,  
Eddy County, New Mexico

Development Plan for Surface Use

1. Existing roads on lease: None.
2. Planned access roads: Beginning at ranch road in SW/4 SE/4 Section 2, T-22-S, R-30-E, construct approximately 2640' x 20' roadway south to well site. (See attached sketch.)
3. Location of Well: 1980' FN & E lines, Section 11 T-22-S, R-30-E, Eddy County, New Mexico.
4. Lateral roads to location: State Highway 31 is 7 to 8 miles west of well site. No direct access road from well site to that highway.  
Ranch road is approximately 1/4 miles north of well site. No current access road from this ranch road to well site. (See attached sketch.)
5. Tank battery and production facilities as required will be contained within drill site pad upon well completion.
6. Water supply undetermined at this time. Water storage tanks will be set on perimeter of pad.
7. All waste disposal will be put in pits and covered.
8. No camps will be located on the lease.
9. No airstrips will be located on the lease.
10. Drill site location will be an area 300' E-W x 400' N-S, cleared and leveled with reserve pits dug in the northern 200' portion. Rig, racks, pumps, steel pits, water tanks and portable office to be located on the southern 200' of the pad. The drill site proper (contained within the pad) will be permanently caliched in an approximate area of 265' E-W x 200' N-S. (See attached sketch.)
11. Restoration of surface: Dug pits within the cleared area will be backfilled and leveled. The caliched pad of the cleared area is a permanent type emplacement.
12. This land use plan is essentially the same as that used on other wells of like depth in Eddy County.

HM:rm