

Belco Petroleum Corporation

Belco

November 13, 1973

United States Geological Survey
Post Office Drawer "U"
Artesia, New Mexico 88210

Re: Belco Petroleum Corporation
Hudson Federal No. 1
1980' FNL & 1980' FWL
Section 1, T-23-S, R-30-E
Eddy County, New Mexico

Gentlemen:

1. Existing Roads - Highway 128 is the nearest existing road.
2. Planned Access Raods - It is planned to build a road into the location straight west to the location from the existing caliche road shown on the attached plat.
3. Location of Wells - This is the second Belco Petroleum Corporation well in the area, being a northwest offset to the Belco Petroleum Corporation James Ranch Unit No. 3.
4. Lateral Roads to Well Locations - The roads to the wells are shown on the attached plat.
5. Location of Tank Batteries and Flowlines - In case of production, any tank battery or necessary producing facility would be placed upon the drilling pad.
6. Location and Types of Water Supply - There is no ground water available in the area and water will have to be purchased from a commercial source and trucked to the location.
7. Methods for Handling Waste Disposal - It is planned to build an 8' X 4' X 4' waste pit next to the reserve pit in which to dispose of all waste.
8. Proposed Disposition of Produced Brine Water - Subject well is a gas prospect and no water production is anticipated; however, any produced brine water would be disposed of by hauling to a commercial water disposal well.
9. Disposition of Casinghead Gas - There is a ready market in the area for casinghead gas and the low pressure casinghead gas will be sold.