

SURFACE USE PLAN

Pennzoil Federal "9" #1
Lease #NM-0475051 & NM-18033

C & K Petroleum, Inc.
1980 FSL & 1980 FEL,
Sec. 9, T-24-S, R-26-E,
Eddy County, New Mexico
Located 4 miles NE of White City, NM

RECEIVED

DEC 27 1976

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

1. EXISTING ROADS
Refer to exhibit "A" which shows all roads within 3 miles of the drillsite. From White City, go 4 miles NW on US Highway #62, exit US #62 east onto a ranch trail road, continue east some 3500'. The ranch trail road will be bladed and caliche. Exit the ranch road onto a proposed 2000' X 12' new road to the well location.
2. PLANNED ROADS
See exhibit "A" for planned lease roads. At the point where we will exit US #62, a cattle guard will be set in the existing fence. The 3500' of existing ranch trail road will be bladed to a width of 12' and covered with compacted caliche. The 2000' of proposed lease road will be covered with compacted caliche. Three turn-outs will be constructed on the proposed lease road. In addition, there will be three turn-outs provided for that 3500' portion of the existing ranch road that is to be improved.
3. LOCATION OF EXISTING WELLS
The nearest production is located one mile South. There is also production approximately one mile North and one mile East. See exhibit "A".
4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES
There are no tank batteries, production facilities or lease pipelines on the lease. If production is encountered, tank battery and production facilities will be located on the East end of mat and fenced.
5. WATER SUPPLY
Water will be trucked from the nearest commercial source.
6. CONSTRUCTION MATERIAL
Caliche will be obtained from an existing pit in the NE/4 Sec. 3, T-24-S, R-26-E, Eddy County, New Mexico and purchased from the BLM by the dirt contractor. Construction material will be hauled over the existing roads to the proposed new road and drillsite. Refer to exhibit "A" for location of pit and haul road.
7. WASTE DISPOSAL
Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drillsite area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See exhibit "C" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system. No waste water pits will be constructed without prior approval from the U.S.G.S.

8. ANCILLARY FACILITIES

No camps, airstrips, etc. will be constructed.

9. WELL SITE LAYOUT

a. Mat Size

325' X 270'

b. Cut and Fill

There is a 6' fall in the pad location from West Northwest to South Southeast. A cut and fill will have to be made from Northwest to Southeast to take care of this fall.

c. Surface

Will be topped with 6" of caliche, bladed and watered.

d. Reserve Pit

250' X 150' pit, lined with plastic, joining mat to the North.

e. Drill Site Layout

See exhibit "C" for complete layout of reserve pits, burn pits, trash pits, and mud pits, Rig will be erected with V-door to the East.

10. RESTORATION OF SURFACE

If well is productive, pits will be backfilled and leveled as soon as practical. All plastic lining and other waste material will be removed or buried with at least 24" of cover. At the time of final abandonment, other U.S.G.S. and BLM restoration stipulations will be complied with.

11. OTHER INFORMATION - SETTING AND ENVIRONMENT

Terrain

Low rolling, rocky hills. See exhibit "B" topographic map of area.

Soil

Hard and rocky.

Vegetation

Catclaw, greasewood, and light mesquite.

DISTANCE TO NEAREST -

Pond and stream

There are no surface waters within 1/2 mile.

Water Wells

No water wells within 1/2 mile.

Residences and Buildings

None within 1/2 mile.

Arroyos, Canyons, Hills, etc.

None - only rolling hills.

OTHER INFORMATION - SURFACE USE

Grazing and hunting

OTHER INFORMATION - EFFECT ON ENVIRONMENT

Drillsite is in semi-arid desert country, in a low environmental area. The Total effect of drilling and producing this and other wells in the area would be minimal.

OTHER INFORMATION - SURFACE OWNERSHIP

The proposed drillsite is on Federal Lands, both surface and subsurface.

All proposed roads are also on Federal Lands.

OTHER INFORMATION - OPEN PITS

All unattended pits containing mud or other liquids will be fenced.

OTHER INFORMATION - WELL SIGN

A sign identifying and locating the well will be maintained at the drillsite commencing with the spudding of the well.

12. OPERATOR'S REPRESENTATIVES

Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:


G. C. Tompson
600 C & K Petroleum Building
P.O. Drawer 3546
Mgr. of Production
Office Phone: 915-683-3311
Home Phone: 915-683-3893

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by & K Petroleum, Incorporated and its contractors and sub-contractors will conform to this plan.

DATE

12-23-76


D. E. Cooper Authorized Agent
Administrative Supervisor