SURFACE USE PLAN
BELCO PETROLEUM CORPORATION
James Ranch Unit #10
1980' FNL, 660' FEL, Sec. 1, T23S, R30E
Eddy County, New Mexico
Lease: New Mexico 02884B

The proposed wellsite is approximately 26 miles southeast of Carlsbad, New Mexico, and can be reached by exiting from State Highway 128 approximately 10.5 miles east of the junction of State Highways 31 and 128. Travel then less than one mile northward to the location, as shown on Exhibit "A" and Exhibit "B " and " C ", via access roads.

1. EXISTING ROADS: Access and existing roads are shown on Exhibit "A". In addition, Exhibit "B " and " C " also illustrate proximity access. Exhibit "B " is the 1939 Nash Draw USGS topographic quadrangle to a scale of 1:62,500; Exhibit " C ", scale 1" = 2000' is a detailed location map.

2. PROPOSED ROAD: Access to the location pad will be from the existing lease road leading to Conoco's James Ranch No. 7 well. This existing road is 350' north of the proposed No. 10 location, the access road at 350+ feet requiring a caliche road 12' wide, flagged for archealogy.

Cut and Fill: Anticipating some compacted caliche and possibly some minor cut to level the pad.

Culverts: None required.

Cattleguards, Gates, Etc.; None expected.

3. EXISTING WELLS: This proposed gas well is located within the existing Los Medanos Atoka and Morrow Pools, as shown on Exhibit " C ".

4. PRODUCTION, GATHERING, TREATING AND STORAGE FACILITIES:

Tank Battery: Tank battery site, as shown on Exhibit "E", in the event of a successful well.

Flow Lines: Proposed flow lines are shown on Exhibit "E".

5. WATER SUPPLY: Belco plans to acquire water from commercial services available to the area.

6. SOURCE OF CONSTRUCTION MATERIALS: Caliche for construction of the new entry road and for surfacing the proposed wellsite pad will be obtained from commercial services who will utilize existing open supplies in the area.

7. METHODS OF HANDLING WASTE DISPOSAL:

Drill cuttings will be disposed of in the drilling pits.

Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

Any produced water will be collected in tanks hauled away. Any oil produced during tests will be stored in test tanks until sold.

Trash containers will be provided around the drilling rig during drilling and completion procedures. Trash, waste paper, garbage, and junk will be buried in a separate trash pit, as shown on Exhibit "E", and covered with a minimum of 27 inches of dirt.

8. ANCILLARY FACILITIES: No camps, airstrips, etc. will be constructed.

9. WELLSITE LAYOUT: Exhibit "E" shows the dimensions and the relative locations of the well pad, mud pits, reserve pit, and trash pit with respect to the well.

Mat Size: 350' x 230'; approximately 400' x 400' flagged out for archaeological survey.

Cut and Fill: The proposed drillsite pad will be leveled and filled as needed.

Surfaced: The base will be surface by six inches of compact caliche.

WELLSITE LAYOUT Cont'd

Reserve Pit: 155' x 125' pit lined with plastic

Cleared Buffer Area: No buffer area is to be cleared; however, area around well mat may be used for turn-around and/or storage.

10. PLANS FOR RESTORATION OF THE SURFACE: After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk as soon as practical or buried with at least 24" of cover. Any unguarded pits containing fluids will be fenced until they are filled. After abandonment of the well, the well pad and all un-needed access roads will be ripped to promote revegetation.

11. OTHER INFORMATION:

Topography: Land surface consists of low relief, sandy topography, consisting mainly of sand dunes (Los Medanos).

Soil: Sand

Vegetation: Few grasses, some sage, and yucca.

Wildlife: None observed.

Ponds and Streams: No fresh water in vicinity of the location.

Residences and Other Structures: The James Ranch buildings are located approximately 1/2 mile to the southeast.

Water Wells: A few water wells are located in the general area.

Land Use: Miscellaneous grazing.

Surface Ownership: Wellsite and access are on Federal surface.

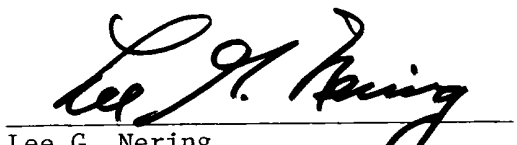
Well Sign: Sign identifying and locating well will be maintained at drillsite commen ing with the spudding of the well.

12. OPERATOR'S REPRESENTATIVE: Field personnel who can be contacted concerning compliance of this Surface Use Plan consists of:

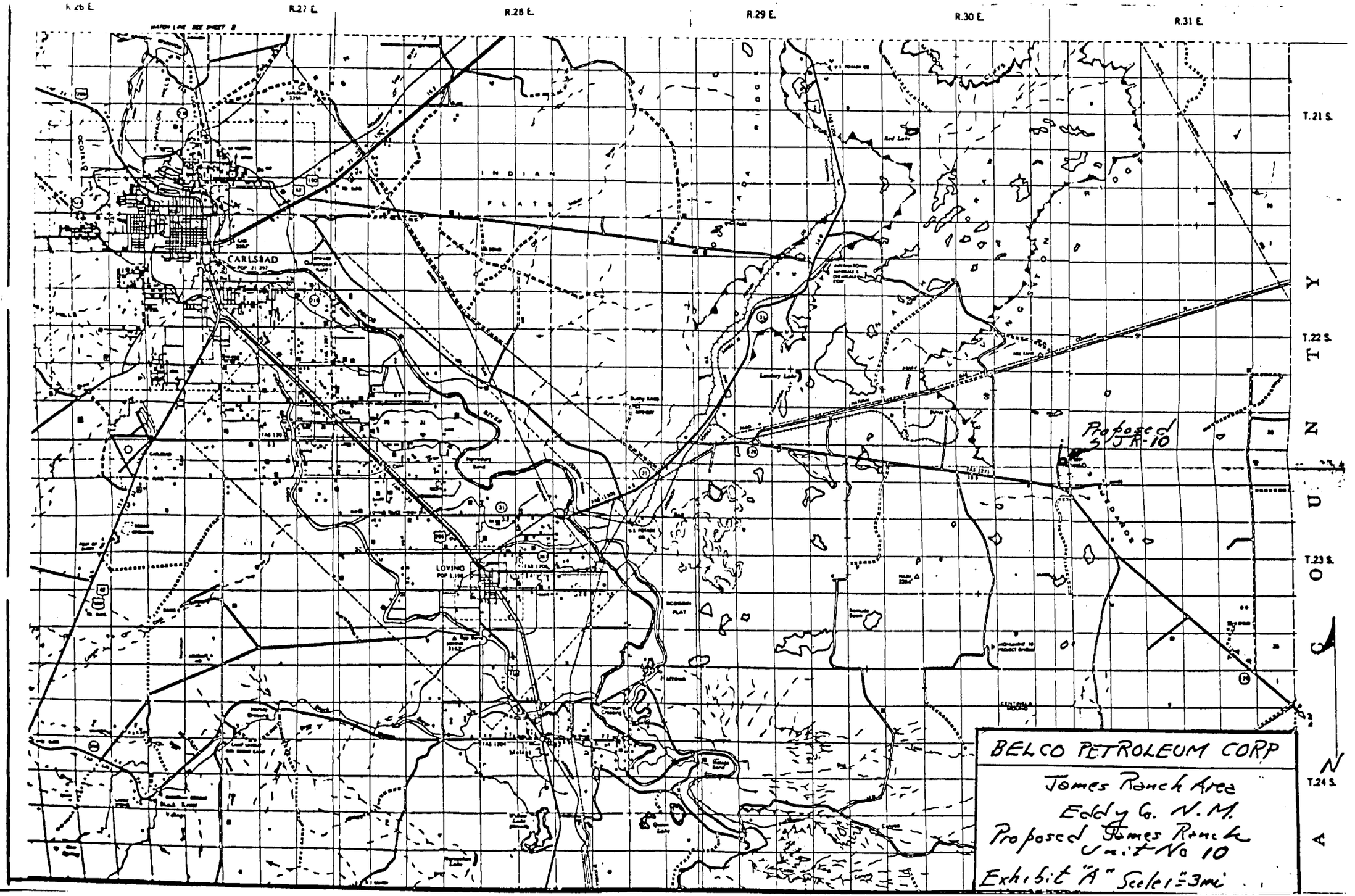
Gene Moore, 411 Petroleum Building, Midland, Texas 79701 - Phone (915) 683-6366.

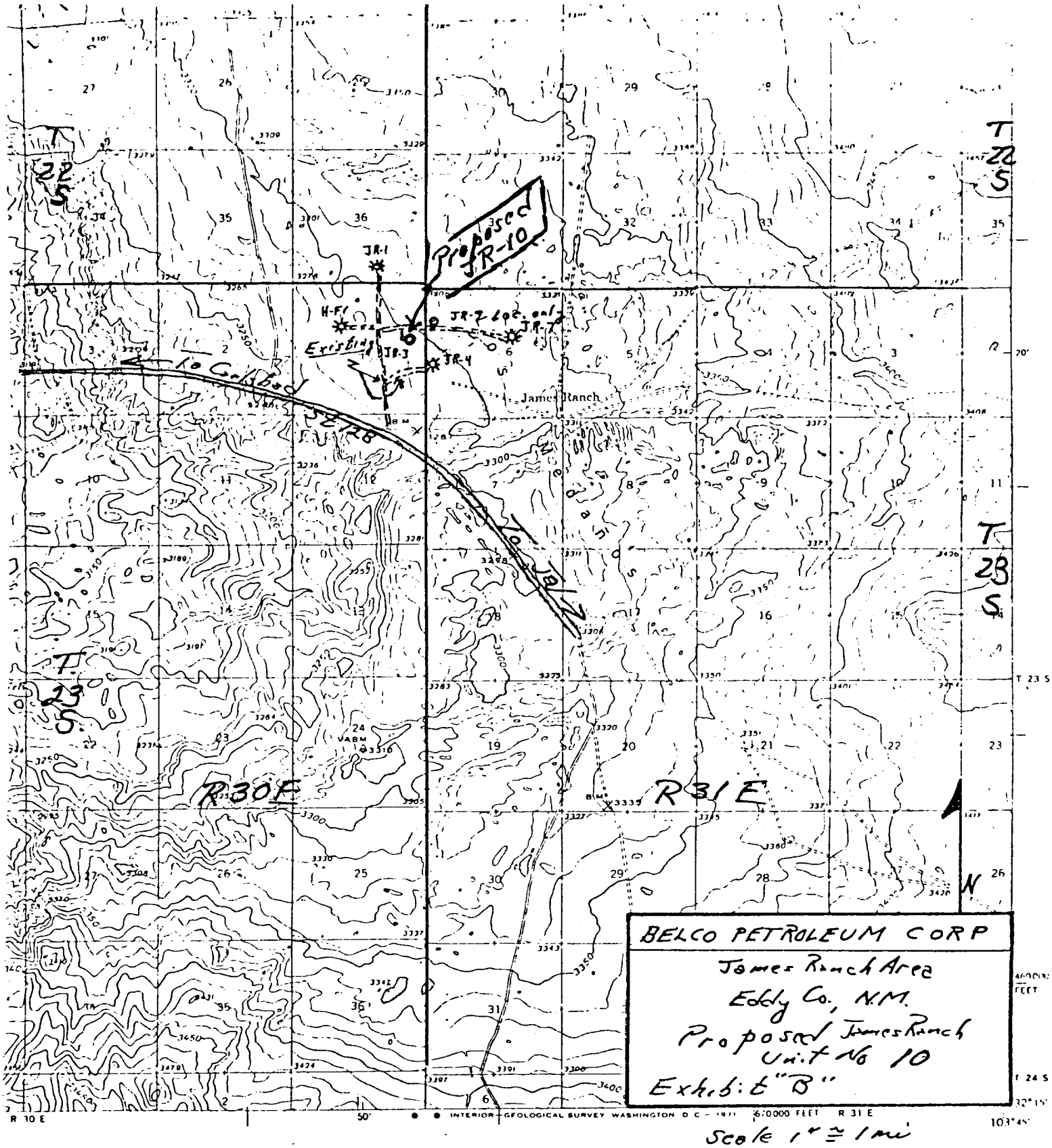
13. CERTIFICATION:

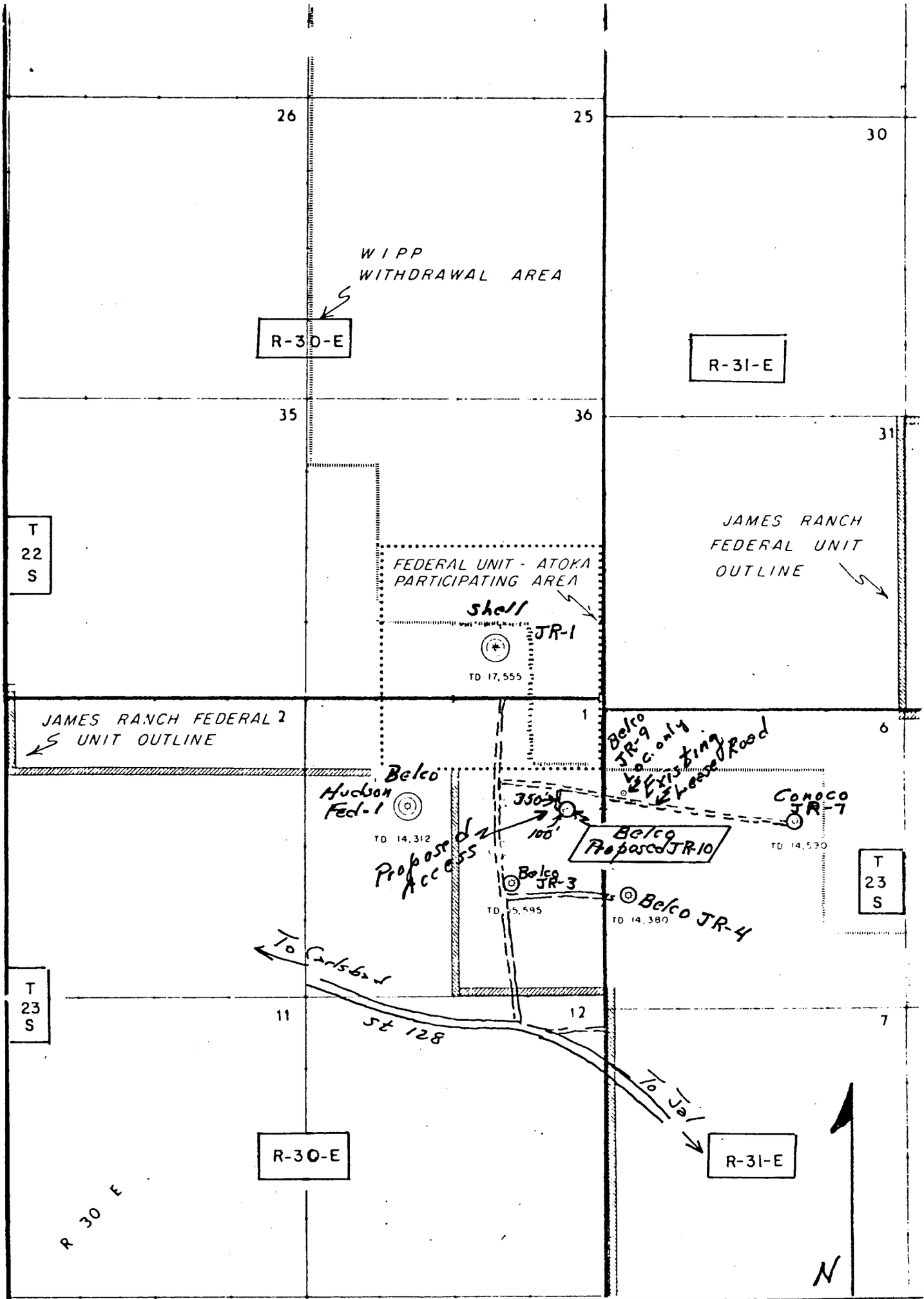
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plat are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by BELCO PETROLEUM CORPORATION and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is a-proved. A copy of this Plan will be posted at the wellsite during the drilling of the well for reference by all contractors and sub-contractors.



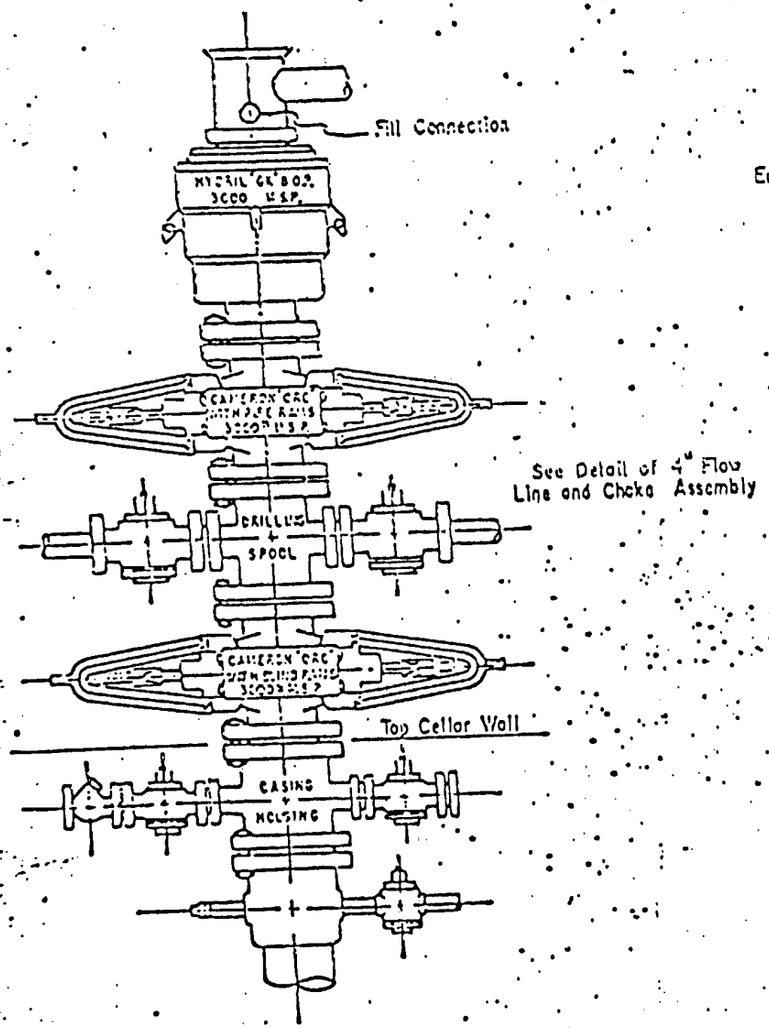
Lee G. Nering
Administrative Geologist
BELCO PETROLEUM CORPORATION
Houston, Texas


R.26 E.
R.27 E.
R.28 E.
R.29 E.
R.30 E.
R.31 E.
T.21 S.
T.22 S.
T.23 S.
T.24 S.
CARLSBAD
LOVING
INDIAN
FLATS
Proposed
JR-10
BELCO PETROLEUM CORP
James Ranch Area
Eddy Co. N.M.
Proposed James Ranch
Unit No 10
Exhibit "A" Scale 1"=3mi


Proposed JR-10
JR-1
JR-2
JR-3
JR-4
H-F
Existing
To Carlsbad
James Ranch
T 22 S
T 23 S
R 30 E
R 31 E
BELCO PETROLEUM CORP
James Ranch Area
Eddy Co, N.M.
Proposed James Ranch Unit No 10
Exhibit "B"
Scale 1" = 1 mi
INTERIOR—GEOLOGICAL SURVEY WASHINGTON D C
CALE 1 62500
ROUTES USUALLY TRAVELED
HARD IMPERVIOUS SURFACES
OTHER SURFACE IMPROVEMENTS
U. S. ROUTE
STATE ROUTE
Existing Roads
Polyconic projection. 1927 North American datum
10000 foot grid based on New Mexico (East)
rectangular coordinate system
NASH DRAW, N. MEX.
N2215—W10345/15
1939
r interval 10 feet)
is mean sea level
ENVER, COLORADO 80225 OR WASHINGTON, D C
C MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

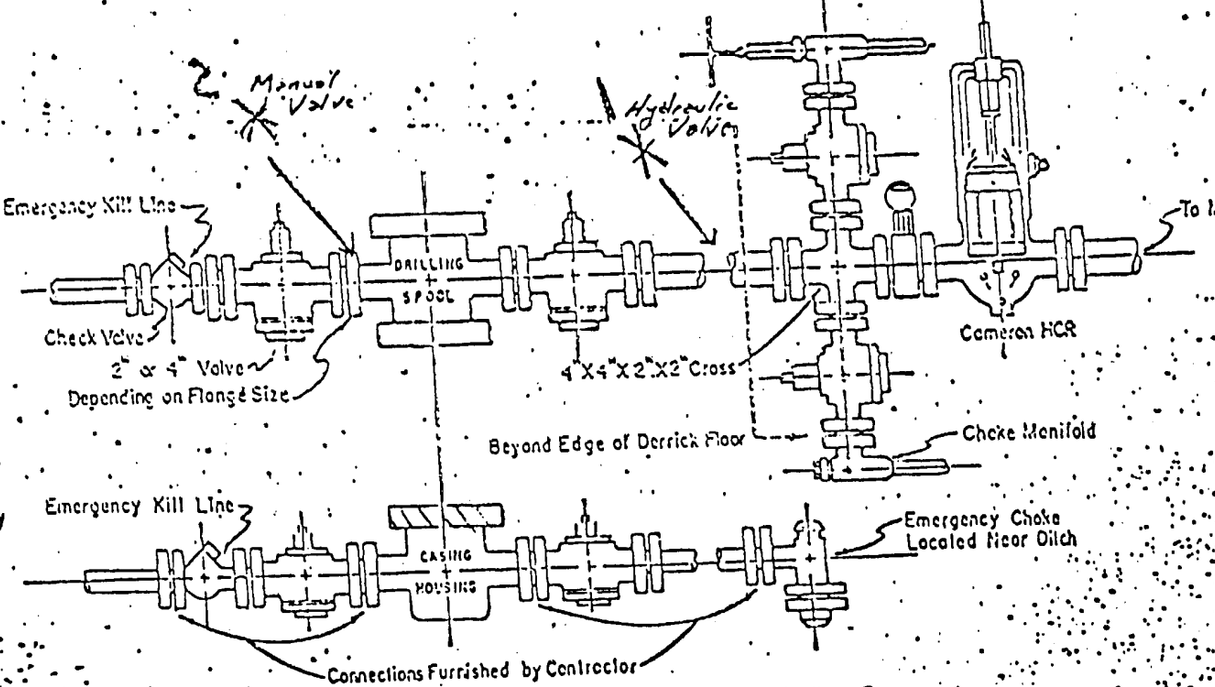

26
25
30
WIPP
WITHDRAWAL AREA
R-30-E
R-31-E
35
36
31
T
22
S
JAMES RANCH
FEDERAL UNIT
OUTLINE
FEDERAL UNIT - ATOKA
PARTICIPATING AREA
Shell
JR-1
TD 17,555
JAMES RANCH FEDERAL 2
UNIT OUTLINE
1
6
Belco
Hudson
Fed-1
TD 14,312
Belco
JR-9
Conoco
JR-7
TD 14,530
350'
100'
Belco
Proposed JR-10
Proposed
Access
Belco
JR-3
TD 15,595
Belco JR-4
TD 14,380
T
23
S
To Carlsbad
St 128
11
12
7
To Jal
R-30-E
R-31-E
R 30 E
N
LEGEND
Morrow Completion
Atoka Completion
BELCO PETROLEUM CORP.
JAMES RANCH, AREA
Eddy Co: New Mexico
Exhibit "C"
PROPOSED
JAMES RANCH
Unit No 10
SCALE 1"=2000'

Blow-out-preventers hydril and choke manifold all 1500 Series.



See Detail of 4" Flow Line and Choke Assembly

5,000 ~~XXXX~~ PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP
Series 1500 900 Flanges, or Better



15,000 ~~XXXX~~ PSI WORKING PRESSURE
KILL, CHOKE, AND FILL CONNECTIONS
API Series 1500 900 Flanges or Better

DETAIL OF 4" FLOW LINE CHOKE ASSEMBLY

Minimum assembly for 5000 ~~15000~~ PSI working pressure will consist of three preventers. The bottom and middle preventers may be Cameron

+
1. Rotating Stripper Head below intermediate csg.
2. Lower Kelly cock valve

Belco Petroleum Corp.
Proposed
Jamar Ranch Unit #10
Exhibit "D"