

C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. No turnouts will be necessary.

D. The center line of the new road has been staked and flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS:

A. The well locations in the vicinity of the proposed well are shown in Exhibit C. There are no wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. There is no producing well on this lease at the present time.

B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the proposed well with a salt water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibits A, B-1 and B-2.

6. SOURCES OF CONSTRUCTION MATERIALS.

A. Any caliche required for construction of the drilling pad and the new access road will be obtained from an existing pit on federally owned surface shown on Exhibit A.

7. METHODS OF HANDLING WASTE DISPOSAL.

A. Drill cuttings will be disposed of in the reserve pits.

B. Drilling fluids will be allowed to evaporate in the reserve pit until the pits are dry.

C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal. Application will be submitted to the USGS for appropriate approval.

D. Oil produced during operations will be stored in tanks until sold.

E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

PAULEY PETROLEUM INC.
Poker Lake Unit No. 46
660' FNL and 660' FWL,
Section 5, T-25-S, R-31-E,
Eddy County, New Mexico.
(Wildcat Well)

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OCT 8 1978

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form No. 42-R1425, Application for Permit to Drill, covering the above well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit A is a portion of a USGS topographic map of the Big Sinks area on a scale of approximately 2.65 inches to the mile, showing the proposed wellsite, the existing road and the proposed road. Submitted by John W. West, Land Surveyor.

Exhibit B is an "Archaeological Clearance Report", Permit No. 78-NM-120, submitted by Dr. J. Loring Haskell, Principal Investigator, New Mexico Archaeological Services, Inc., Carlsbad, New Mexico.

Exhibit B-1, attached to Exhibit B, is the "route map" with a schematic illustration of the proposed re-routing of access road.

Exhibit B-2, attached to Exhibit B, is a portion of a USGS topographic map of the area on a scale of approximately 2.65 inches to the mile, showing the location of the proposed wellsite, and roads in the vicinity. The proposed location is situated approximately 18 miles east southeast of Loving, New Mexico.

DIRECTIONS:

1. Proceed east from Loving for 7 miles.
2. Turn right (east) on New Mexico Highway 128 and continue for 20 miles.
3. The Poker Lake Unit road will start at this point to the right (south) and continue for 9 miles to turnoff to the drillsite.
4. Turn left (east) for 1.1 miles to the drillsite.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1.1 miles in length from point of origin to the edge of the drilling pad. The road will lie in a west to east direction.

- B. The new road will be 12 feet in width (driving surface), except at the point of origin, adjacent to the existing road, at which point enough additional width will be provided to allow heavy trucks and equipment to turn.