

SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3
Mitchell Energy Corporation
Apache "13" Federal No. 5
660' FSL & 330' FEL
SE/SE Sec. 13, T22S, R30E
Eddy Co., New Mexico

1. Existing Roads:

- A. The well site and elevation plat for the proposed well is shown in Exhibit #2. It was staked by John Jacquess Consulting Engineers, Artesia, N.M.
- B. All roads to the location are shown in Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to location: Go west 44.3 miles from Jal, New Mexico on Hwy 128. Turn north on Cimarron Road and go 2.7 miles. Turn northeast on El Paso Pipeline ROW and go 2.1 miles. Turn north on lease road and go 0.3 mile to Sec. 13 new access road to each well as shown in Exhibit #3.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

Exhibit #3 shows the 50' of new access road to be constructed and is illustrated in yellow. The road will be constructed as follows:

- A. The maximum width of the running surface will be 15'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.

- D. No culverts, cattleguard, gates, low-water crossings, or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- F. The proposed access road as shown in Exhibit #3 has been centerline flagged by John Jacquess Consulting Engineers, Artesia, New Mexico.

3. Location of Existing Wells:

Exhibit #4 shows all existing wells within a one-mile radius of this well. As shown on this plat there is one well currently being completed and one well drilling. A list of these wells is shown in attachment to Exhibit #4. There are no disposal, SI, injection or observation wells within a ~~one-mile~~ radius.

4. Location of Existing and/or Proposed Facilities:

- A. Mitchell Energy Corporation does not operate any facilities or pipelines on this lease or within a one-mile radius of the proposed well.
- B.
 - (1) If the well is productive, a buried 2" steel flowline will be laid to the new battery to be located on the Apache "13" Fed #3 well pad. The flowline will parallel the road ROW when possible.
 - (2) The tank battery and facilities including all flowlines and piping will be installed according to API specifications.
 - (3) Any additional caliche which is required for firewalls, etc. will be obtained from a BLM-approved caliche pit. Any additional construction materials will be purchased from contractors.
 - (4) No power will be required if the well is productive of gas. However, if productive of oil, it may be necessary to run electric power down the road ROW to the well.
- C. If the well is productive, rehabilitation plans are as follows:
 - (1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after the well is completed).
 - (2) Caliche from unused portions of the drill pad will be removed. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the