

FELPS PETROLEUM COMPANY  
Marg-A Well No. 1

Location: 1980' FS&W lines, Section 25, Twp-9-S, R-32-E, Lea County, New Mexico

1. Existing roads on lease: None - There is existing lease road in N/2 Section 25 serving offset operator's lease (see sketch of area roads attached).
2. Planned access roads: Commence at existing road in N/2 section 25, north of proposed well site, construct 2640' x 20' road south to well site. Begin in N/2 Sec. 25, run south 1/2 mile to well site.
3. Location of Well No. 1: 1980' FS&W lines, Sec. 25, T-9-S, R-32-E, Lea County
4. Lateral roads of area of well site: Paved road 1 1/2 miles west N/S on Sec. 26&27 line; Paved road 1 1/4 miles north E/W through central portion Sec. 24; Lease road runs N/S from paved road in Sec. 24, south to approximately 1/2 mile north of well site.
5. Tank battery and production facilities as required will be contained within drill site pad upon well completion.
6. Water for drilling operations is to be purchased and hauled to location by trucks.
7. Gas for fuel is to be from tap in Warren Petroleum Corporation's gathering system line which runs through N/4 Sec. 30, T-9-S, R-33-E, which is approximately 3/4 miles NE of well site. Exact fuel line routing to be determined upon most feasible and prudent facility of operations.
8. All waste disposal will be put in separate pits and covered.
9. No camps or airstrips will be located on lease.
10. Drill site location will be an area 300' east/west by 400' north/south, cleared and leveled with reserve pits dug in the northern 200' of site area. Rig, racks, pumps, steel pits, water tanks, and portable office to be located on southern 200' portion of pad. Drill site proper (contained within the pad) will be permanently caliched in approximate area of 265' e/w x 200' n/s.
11. Restoration of surface: Dug pits within the cleared area will be back-filled and leveled. Caliched pad of the cleared area is a permanent type emplacement.
12. This land use plan is essentially the same as that used on other wells of like depth in Lea and Eddy Counties.