

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

WOLFSON OIL COMPANY
MOUNTAIN-FEDERAL NO. 6
990' FEL & 990' FNL, SEC. 30
T-7-S, R-32-E
ROOSEVELT COUNTY, NEW MEXICO
LEASE NO. NM-18846

This plan is submitted with the Application for Permit to Drill the above captioned well. The purpose of this plan is to describe the location, construction activities, and operations plan.

1. EXISTING ROADS:

- A. Exhibit No. 1 is a portion of a map showing the proposed well as staked. To reach the proposed well, go to Kenna, New Mexico, then turn south approximately eight (8) miles to a fork in the road; then take the left fork and go approximately five (5) miles.
- B. Exhibit No. 2 is a plat showing existing roads

2. PLANNED ACCESS ROAD:

- A. Length and Width: Approximately 1200' of 12' wide road will be required.
- B. Surfacing Material: Six inches of caliche, watered, compacted and graded.
- C. Maximum Grade: Three (3) percent.
- D. Turnouts: None required.
- E. Drainage Design: None.
- F. Culverts: None required.
- G. Cuts and Fills: Minor crenulations in surface will be evened out.
- H. Cattle Guards: None required.

3. LOCATION OF EXISTING WELLS:

See Exhibit 3.

4. LOCATION OF EXISTING FACILITIES AND PROPOSED NEW FACILITIES:

A. Existing Facilities: None.

B. Proposed Facilities: Pumping equipment will be installed on location.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling will be purchased from surface owner and trucked to location (approximately 4 miles).

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche will be purchased from surface owner (approximately 4 miles).

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill Cuttings: Drill cuttings will be disposed of in drilling pits.

B. Drilling Fluids: Drilling fluids will be allowed to evaporate in pits until dry.

C. Formation Water and Oil: Any produced water will be disposed of in drilling pit. Oil will be stored in tanks and sold. Produced water will be stored in water tank when battery is constructed.

D. Human Waste: All current laws and regulations pertaining to above will be complied with.

E. Trash, Waste Paper, Garbage and Junk: All trash, waste paper, garbage and junk will be buried in trash pit shown on location plat.

F. Trash Burial: All trash and debris will be buried or removed within 30 days after completion.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

A. Wellsite Boundaries: The boundaries have been staked and flagged.

- B. Rig Components: Exhibits Nos. 4 and 5 show the relative location and dimensions of the well pad, pits, and major rig components.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Equipment Removal: All drilling equipment will be removed after the casing is set. Pits will be filled and location leveled and cleaned after pits are dry.
- B. Unguarded Pits: Pits will be fenced if they are a potential danger to cattle.
- C. Well Abandonment: Upon abandonment, the restoration will be in accordance with the wishes of the surface owner, Mr. Tommy Tucker, of Elida, New Mexico.

11. OTHER INFORMATION:

- A. Topography: The drillsite is located in relatively flat country with minor crenulations due to very small dunes.
- B. Soil: The surface is sandy with small dunes.
- C. Flora and Fauna: The vegetative cover is very sparse and consists of weeds, cacti and very little native range grass. Wildlife is typical in the area with few rabbits, coyotes and rodents.
- D. Ponds and Streams: None.
- E. Residences: The nearest occupied dwelling is approximately two to three miles northwest. The closest water is probably at the ranch house.
- F. Archeological, Historical and Cultural Sites: None.
- G. Land Use: Very poor grazing land.
- H. Surface Ownership: Wellsite is on surface land owned by Frank Southard of Kenna, New Mexico.

12. OPERATORS REPRESENTATIVE:

The representative responsible for assuming compliance with the approved Surface Use and Operations is as follows:

H. G. Freedman
311 C & K Petroleum Building
Midland, Texas 79701
Office Phone: 915-683-2651
Home Phone: 915-694-0900

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, to the best of my knowledge, are true and correct; and that the work associated with the proposed operations will be performed by Wolfson Oil Company and its contractors in conformity with this plan and conditions under which it is approved.

8-9-78
Date

H. G. Freedman
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