

13-POINT DEVELOPMENT PLAN FOR SURFACE USE

SHELL OIL COMPANY

FEDERAL 3 NO. 2

1980' FSL AND 1730' FEL OF SECTION 3, T-19-S, R-32-E

LEA COUNTY, NEW MEXICO

1. Existing Roads to Well Location

To reach Shell Federal 3 No. 2, proceed due south from Maljamar 4.5 miles to intersection of State 529. Then go in a southerly direction 8.2 miles and turn back to the left and go northeast 2.7 miles at which point a drilling company sign will be placed pointing in a northerly direction to the well site.

2. Planned Access Road

As shown on the attached USGS topographical map, the 12-foot wide access road will be extended from existing lease road approximately 250' due east of an old shallow well site.

3. Location of Existing Wells

Location of existing wells is shown on the attached ownership plat with a scale of 1" = 4000'.

4. Location of Tank Batteries, Production Facilities, Etc.

This is Shell's first well in this field, and no permanent production facilities are planned at this time. However, we plan to install temporary facilities for testing purposes. A location layout sheet showing these test facilities is attached. Should commercial production be encountered, we will consult with and follow the directions of the Bureau of Land Management in the construction of permanent production facilities.

5. Location and Type of Water Supply

We plan to contract with a private supplier to haul the water to be used during this drilling operation.

6. Source of Construction Materials

Shell plans to use a caliche type material in the construction of the access road and well site. This material will be obtained from a private contractors private source which is not located in the immediate area.

7. Methods for Handling Waste Disposal

All waste that can be burned will be burned in a pit located in the northwest corner of the drill site. All other waste and drilling fluids will be buried in a pit and covered with a minimum of two feet of cover.

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OIL CONSERVATION COMM.
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