

CORRECTED

Proposed Development Plan for Surface Use

Amoco Production Company's Nellis Federal Well No. 3, Unit E, Section 8, T-19-S, R-33-E.

1. Existing roads including location of exit from main highway.

Detailed map showing drillsite location in relation to the nearest town and all existing roads within one mile to the wellsite are shown on Exhibit A. From Hobbs, go west on Highway 62, 34.6 miles. Turn north on Loop 176, and go 4.5 miles. Turn north at Potash Mine and go 6.1 miles. Just past the Phillips Lusk Plant, turn east and go 5.3 miles. At West Tonto Battery, turn north and go .7 miles. Turn east and go 1.8 miles to the location. See Exhibits B and C.

2. Planned access roads.

From existing caliche road, the new road will go east to the drilling pad. The new road will be 12' wide and 1,320' long. See Exhibit C.

3. Location of existing wells.

All existing wells within one mile radius are shown on Exhibit .

4. Location of tank batteries and flow lines. Gas product taken at location.

If well is a commercially-productive gas well, a high pressure separator will be installed on south side of pad and gas connection will be made at separator vent. If well produces condensate or oil, production will be handled at the location.

5. Location and type of water supply.

Fresh water will be trucked from an existing well located near the West Tonto Battery, 1.3 miles west and .7 miles south of wellsite. Brine will be trucked from the Champion Brine Station.

6. Source of construction materials.

Caliche will be obtained from an existing caliche pit located 4 miles southwest of the location, NW/4 Section 15, T-19-S, R-32-E. See Exhibit A.

7. WASTE DISPOSAL -

- a. Drill cuttings will be disposed of in the reserve pit.
- b. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.

- c. Trash, waste paper, garbage and junk will be burned or buried with a minimum of 24" cover. Waste material will be contained to prevent scattering by wind prior to ultimate disposal.
- d. Any produced water will be contained in tanks and be disposed of in an approved manner. Oil produced will be stored in tanks until sold, at which time it will be hauled from location.
- e. Current laws and regulations pertaining to disposal of human waste will be complied with.
- f. If productive, maintenance waste will be placed in special containers and buried or hauled away periodically.

8. ANCILLARY FACILITIES -

No camps, airstrips, etc., will be constructed.

9. WELLSITE LAYOUT -

- a. Size of Drilling Pad - 340' x 290' x 6"
- b. Compacted - Caliche
- c. Surfaced - No
- d. 450' square area around wellsite has been cleared by archeologist.
- e. See Exhibit E.

10. RESTORATION OF SURFACE -

Producing Well - all pits will be cut, filled, and levelled as soon as practical to original condition with rehabilitation to commence following removal of drilling and completion equipment. Rehabilitation to be completed in 180 days if possible.

Dry Hole - same as above with dry hole marker to be installed and surface reseeded if required.

11. OTHER INFORMATION -

- a. Terrain - Undulating plain with small depressions formed by wind and water erosion.
- b. Soil - Deep Sand.
- c. Vegetation - Scrub oak, mesquite, sage.
- d. Surface Use - Grazing.
- e. Ponds and Streams - None.
- f. Water Wells - None.
- g. Residences and Buildings - None.
- h. Arroyos, Canyons, etc. - None.
- i. Well Sign - Posted at drillsite.
- j. Open Pits - All pits containing liquid or mud will be fenced.
- k. Archaeological Resources - Drillsite which is in undulating plain, semi-arid, desert country, is in a low environmental risk area. The total effect of drilling and producing in this area would be minimal. No known archaeological, historical, or cultural sites exist in drill or road areas.

12. OPERATOR'S REPRESENTATIVE -

Field personnel responsible for compliance with development plan for surface use is:

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