

SURFACE USE PLAN

Anadarko Petroleum Corporation
Federal "AW" #1
380' FSL & 990' FEL, Sec. 26-T19S-R32E
Lea County, New Mexico
NM-12412

This plan is submitted with Application to Drill on the above described well. The minerals are federal and the surface is leased for grazing (see below for surface lessee). The purpose of this plan is to describe the location, proposed construction activities and operations plans, magnitude of necessary surface disturbance and procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS - Exhibit "E" is a portion of a U.S.G.S. topographic map showing the location of the proposed well as staked.
 - Directions to the well are as follows:
From the junction of U.S. 180/176, 24 miles east of Carlsbad, go north and east 3.7 miles on Hwy. 176, then go 6.1 miles north on lease road, then east 2.2 miles, then south 1.4 miles, then east 0.9 mile to the northwest corner of Sec. 26. Proceed east for 0.9 mile then turn south for 0.9 mile to wellsite.
2. PLANNED ACCESS ROAD - An access road will extend East/Southeast approximately 70' to an existing lease road. This access road will be constructed according to BLM standards. Approximately 700' of jeep trail will be improved to replace a section of road being incorporated into our pad. The rancher, Mr. Kenny Smith, was contacted and agreed to this road change.
3. LOCATION OF EXISTING WELLS IN AREA - See Exhibit "F".
4. LOCATION OF PROPOSED FACILITIES - Location of proposed well site and tank battery is shown on Exhibit "G". The battery will be located on proposed well pad. No additional surface disturbance will be necessary.
5. WATER SUPPLY - No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.

6. SOURCE OF CONSTRUCTION MATERIAL - Caliche for surfacing access road & pad will be obtained from an existing pit location in the NE/4 SE/4 of Sec. 15, or in another BLM approved site.
7. HANDLING WASTE DISPOSAL
 - a) Drill cuttings - disposed into drilling pits.
 - b) Drill fluids - allowed to evaporate in drill pits until pits dry.
 - c) Produced water during testing - drill pits.
 - d) Produced oil during testing - storage tank until sold.
 - e) Current laws and regulations pertaining to disposal of human waste will be observed.
 - f) Reserve pit will be plastic lined.
 - g) Waste paper, garbage & junk will be disposed of into a special container on location. All waste material will be regularly removed to an approved landfill.
 - h) All trash and debris will be buried or removed from well site within 30 days after drilling and/or completion operations are finished.
8. ANCILLARY FACILITIES - None.
9. PLANS FOR RESTORATION OF SURFACE
 - a) After completion of drilling and/or completion of operations, all equipment & other material not needed for operations will be removed. Pits will be filled and location cleaned of trash and junk to leave well in as aesthetically pleasing a condition as possible.
 - b) Any unguarded pits containing fluids will be fenced until backfilled.
 - c) After abandonment of well, surface restoration will be in accordance with the Bureau of Land Management Surface Requirements.
10. TOPOGRAPHY AND SOIL - Archaeological Survey Consultants report by Dr. Jim Scicenti will be submitted when ready.
11. LAND USE - Grazing and hunting: Federal
- Surface Lessee: Mr. Kenny Smith
P.O. Box 764
Carlsbad, NM 88220
(505) 887-3374
- NOTE: Rancher wants Anadarko to build & re-set a new water tank on Meridian's AW #3 location (if agreeable with Meridian & BLM. Continue negotiations.
 - a) Fina's Water Pipeline ROW - Mr. Kevin Pfister, Sr. Landman for Fina, gave Anadarko verbal permission to build this location in close proximity to their pipeline. Mr. Pfister prefers not to supply a letter of agreement unless a further request is made to Anadarko by the BLM.
12. SURFACE OWNERSHIP - Bureau of Land Management (Federal)

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