

Belco Petroleum Corporation

August 14, 1975

Belco

United States Geological Survey
Post Office Box 1157
Hobbs, New Mexico 88240

Re: Belco Petroleum Corporation
La Rica Unit #1
1980' FSL & 660' FWL
Section 13, T-19-S, R-33-E
Lea County, New Mexico

Gentlemen:

- 1) Existing Roads - Highway 62 and 180, the Carlsbad-Hobbs highway, is approximately five miles south of our proposed location.
- 2) Planned Access Road - It is planned to build two and one-half miles of caliche road from existing lease roads in the area as shown by the attached plat.
- 3) Location of Well - This is the first well for Belco.
- 4) Lateral Roads to Well Location - The road to the well is shown on the attached map.
- 5) Location of Tank Battery and Flowlines - In case of production, battery facilities will be installed on the drilling pad.
- 6) Location and Types of Water Supply - There is no ground water available in the area, and water will be purchased from a commercial source and trucked to the location.
- 7) Methods for Handling Waste Disposal - It is planned to build an 8' X 4' X 4' waste pit next to the reserve pit in which to dispose of all waste, as shown on attached plat of Belco's drilling pad.
- 8) Proposed Disposition of Produced Brine Water - Subject well is a gas prospect and no water production is anticipated; however, any produced brine water would be disposed of by hauling to a commercial water disposal well.
- 9) Disposition of Casing Head Gas - There is a market in the area for casing head gas and the low pressure gas will be sold.