

MULTI POINT SURFACE USE AND OPERATIONS PLAN

TMBR/Sharp Drilling, Inc.
TMBR/Sharp "21" Federal Com., Well No. 1
1980' FSL & 990' FWL, Sec. "21"-T18S-R32E
Lea County, New Mexico
Lease No. : NM-9022
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM color quad map showing the location of the well as staked. The well site location is approximately 41 road miles northeast of Carlsbad, New Mexico or 39 road miles southeast of Artesia, NM. Traveling east of Carlsbad there will be approximately 41 miles of paved highway and 1.6 miles of gravel oilfield road.
- B. Directions: Travel east from Carlsbad, NM on U.S. Highway 62/180 for approximately 26 miles to county road 243; turn left (northeast) onto the County road for 3.5 miles to County Rd. #126. Turn north on #126 for 10.6 miles to a gravel road on the east, at a Young Deep sign, Turn east at this sign and continue east for .8 mile and road turns south (right). Continue south for .5 mile to the start of the proposed access road on the left (east) side of the road. The access road will run east for approximately 1500 feet to the southwest corner of the proposed location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will be constructed to a width of 12 feet and will be approximately 1500 feet in length. The proposed access road is color coded red on Exhibit "A".
- B. Construction: The proposed access road will be constructed by blading and topping with compacted caliche and will be properly drained.
- C. Turnouts: At least one turnout will be required, increasing the road width to 20 feet for passing.
- D. Culverts: None required.
- E. Cuts and Fills: Will require the leveling of 3 to 8 foot sand dunes and deflation basins.
- F. Gates, Cattle guards: None required.
- G. Off Lease R/W: An off lease R/W will be required in Sec. 20 back to County Rd. #126. A check for \$375 for a Category II Right of Way is enclosed.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

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4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities for TMBR/Sharp Drilling, Inc. on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery, if required, will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the access road and well site pad will be obtained on location, if possible, or from an approved Federal pit in NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 4-T18S-R32E. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering and will be removed for deposit in an approved sanitary land fill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The well pad and pit area have been staked and flagged, 400' X 400'.
- B. Mat Size: "290' X 140', plus 120' X 110' reserve pits on the north.
- C. Cut & Fill: Will require leveling a 4-8 foot dune that surrounds the location, which is in a large 100 foot radius deflation basin.
- D. The surface will be topped with compacted caliche and the dirt pits will be plastic lined. Steel working pits will also be used.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced and screened until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled as soon as they are sufficiently dried.

11. OTHER INFORMATION:

- A. Topography: The well site and access road are located in the Querecho Plains with 4 - 8 foot vegetation covered sand dunes and deflation basins with an overall .8% slope to the southwest from a 3751' GL elevation.
- B. Soil: The topsoil at the well site is a fine loamy sand of the Kermit-Palomas fine sands Soils Series.
- C. Flora and Fauna: The vegetation cover on the proposed access road and location is a sparse to fair grass cover of red and poverty three-awn, sand dropseed, bluestem, burrograss, grama and other misc. native grasses along with plants of occasional oakbrush, yucca, sage, many sunflowers, cacti (prickly pear) and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in the immediate area.
- E. Residences and Other Structures: None in the area except oilfield equipment.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.

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11. OTHER INFORMATION: cont.....

- H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey will be conducted by Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202, and their report is being submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

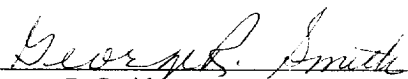
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Jeff Phillips
TMBR/Sharp Drilling, Inc.
P. O. Box 10970
Midland, TX 79702
Office Phone: (915) 699-5050

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by TMBR/Sharp Drilling, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

October 9, 2000


George R. Smith
Agent for: TMBR/Sharp Drilling, Inc.