

12-POINT DEVELOPMENT PLAN FOR SURFACE USE
PROPOSED DRILLING OF THE SMITH FEDERAL "18" No. 2
LEA COUNTY, NEW MEXICO

1. EXISTING ROADS INCLUDING LOCATION OF THE EXIT FROM THE MAIN HIGHWAY

Attachment 1 is a U.S.G.S. topographic map with a scale of one (1) inch equals approximately one and one-third ($1 \frac{1}{3}$) miles. The main access road to the present location upon which the proposed replacement well is to be drilled is indicated thereon. Also, all graded caliche roads in the vicinity of the proposed well which are being used are identified.

2. PLANNED ACCESS ROADS

There are no new access roads planned for this proposed well. The existing caliche road from the tank battery in the SE/4 of SW/4 of Section 7, T-20-S, R-33-E, Lea County, New Mexico, will be improved upon since it has not been in use for at least eight (8) years.

3. LOCATION OF EXISTING WELL

Attachment 2 is submitted to show all wells (presently producing, shut-in or plugged and abandoned) in the vicinity of the proposed well.

4. LATERAL ROADS TO WELL LOCATIONS

All the lateral roads to well locations in the vicinity of this proposed well are shown in Attachment 1.

5. LOCATION OF TANK BATTERIES AND FLOW LINES

Attachment 1 indicates the above mentioned tank battery which will most probably store the production from this proposed well since this battery serves the same basic lease as the subject well. The flow line, therefore, will be installed along the existing caliche road leading to this proposed well back to the tank battery in Section 7.

6. LOCATION AND TYPE OF WATER SUPPLY

Fresh water is available one and one-half ($1 \frac{1}{2}$) miles northeast of the proposed drill site and also two and three-quarter ($2 \frac{3}{4}$) miles southwest to drill the surface hole. Brine water is available one-quarter ($\frac{1}{4}$) mile west of the proposed location at salt water disposal pits. The proposed well is to be located on the west bank of the Laguna Gatuna (a surface salt water lake) as indicated in both Attachment 1 and 2.

7. METHODS OF HANDLING WASTE DISPOSAL

The cuttings generated will be disposed of in a shale pit. All trash and junk generated by the drilling of this proposed well will be buried in a separate trash pit with a 24" soil cover.

