

SURFACE USE PLAN
BELCO PETROLEUM CORPORATION
FEDERAL PL- 14#1
1980' FSL & FEL, Sec. 14, T-20S, R-32E
Lea County, New Mexico

The proposed wellsite is approximately 32 miles northeast of Carlsbad, New Mexico. The location can be reached from existing State Highway 176, approximately 1 mile north-west of the junction of State Highway 176 and U.S. Highway 62-180, then traveling northward to location, as shown on Exhibits "A", "B" and "C".

1. EXISTING ROADS: Exhibits "A", "B" and "C" show the existing roads and their access to State and U.S. Highways. Existing lease road are shown as a solid back line.

2. PROPOSED ROAD: Access to the location pad will be from an existing lease road, north for 1387' with a 12' wide caliche road. The proposed road is flagged for the archeologist. The road is labeled and shown in Exhibits "A", "B" and "C".

Cut and fill: The caliche for the road will be compacted, no cuts anticipated.

Culverts: None required.

Cattleguards, Gates, Etc: A cattleguard will be required in the fence line that runs between Sections 14 and 23.

3. EXISTING WELLS: They are shown on Exhibits "A", "B" and "C".

4. PRODUCTION, GATHERING, TREATING AND STORAGE FACILITIES: The proposed battery site and flow lines as shown on Exhibit "C".

5. WATER SUPPLY: Belco plans to acquire water from commercial services available in the area.

6. SOURCE OF CONSTRUCTION MATERIALS: Caliche for construction of the new road and for the wellsite will be obtained from commercial services who will utilize existing state owned pit in NW 1/4 of NW 1/4 of Sec 22, T-20-S, R-32-E.

7. METHODS OF HANDLING WASTE DISPOSAL:

Drill cuttings will be disposed of in the drilling pits.

Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

Any produced water will be collected in tanks hauled away. Any oil produced during tests will be stored in test tanks until sold.

Trash containers will be provided around the drilling rig during drilling and completion procedures. Trash, waste paper, garbage and junk will be buried in a separate trash pit, as shown on Exhibit "D" and covered with a minimum of 27 inches of dirt.

8. ANCILLARY FACILITIES: No camps, airstrips, etc. will be constructed.

9. WELLSITE LAYOUT: Exhibit "D" shows the dimensions and the relative locations of the well pad, mud pits, reserve pit, and trash pit with respect to the well.

Mat Size: 300' x 300'; approximately 400' x 400' flagged out for archaeological survey.

Cut and Fill: The proposed drillsite pad will be leveled and filled as needed.

Surfaced: The base will be surface by six inches of compact caliche.

Reserve Pit: 140' x 100' pit lined with plastic.

Cleared Buffer Area: No buffer area is to be cleared; however, area around well mat may be used for turn-around and/or storage.

10. PLANS FOR RESTORATION OF THE SURFACE: 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 location cleaned of all trash and junk as soon as practical or buried with at least 24" of cover. Any unguarded pits containing fluids will be fenced until they are filled. After abandonment of the well, the well pad and all un-needed access roads will be ripped to promote revegetation.