

SANTA FE ENERGY RESOURCES, INC.
MULTI-POINT SURFACE USE AND OPERATIONS PLAN
GAUCHO UNIT NO 3
Section 20, T-22-S,R-34-E
Lea County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed by rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit E is a 7.5 minute topographic map which shows the location of the proposed wellsite and roads in the vicinity. The proposed location is situated approximately 20 miles West of Jal, New Mexico.

DIRECTIONS

1. From the intersection of State Hwy 128 & CR-21, go North and back East 9.6 miles, turn North 2.8 miles to the Gaucho Unit No. 1 location, continue northwest 0.6 miles, to the proposed location on the left.

2. PLANNED ACCESS ROAD.

- A. Build $\pm 140'$ of new road from the existing road to the proposed location.

3. LOCATION OF EXISTING WELLS.

- A. The well locations in the vicinity of the proposed well are shown in Exhibits E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are four producing gas wells within the Gaucho Unit at this time.
- B. In the event the well is productive, the necessary production equipment will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to supply the necessary power to run to pump jack.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the well with both fresh water and brine water systems. Both types of waters will be hauled to the location by truck over existing roads. Both types will be obtained from commercial sources.