

SURFACE USE PLAN
Continental Oil Company
Lockhart A-18 No. 2
Sec. 18 T21S R36E
Lea County, New Mexico

The plan is to accompany "Application for Permit to Drill" the subject well. The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and sub-contractors will be aware of all items of this plan.

1. EXISTING ROADS

- A. The proposed well site is an existing abandoned pad 660' FSL and 1980' FEL, Sec. 18, T21S, R36E, Lea County, New Mexico.
- B. Exhibit "A" is a portion of a New Mexico road map showing existing black top roads. Directions to the location are as follows:
From Oil Center, travel south on Highway 8 approximately 2 miles and turn west for 2.5 miles. At this point, turn north on the lease road and then east on the first lease road. The location is approximately 1000' distant.
- C,D,E. Access roads are shown on Exhibits "B" and "C".
- F. No improvement or maintenance are anticipated for the existing roads.

2. PLANNED ACCESS ROADS

The existing road will be used.

3. LOCATION OF EXISTING WELLS

See Exhibit "C".

4. LOCATION OF PROPOSED FACILITIES

- A. Tank Batteries: The existing tank battery will be used.
- B. Producing Facilities: No additional producing facilities will be required.
- C. Oil Gathering Lines: The flowlines will lay on the surface alongside the road right-of-way.
- D. Other Lines: No other lines will be required.
- E. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location. Rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. WATER SUPPLY

Water will be hauled from Eunice, New Mexico.

6. SOURCE OF CONSTRUCTION MATERIALS

No new construction material will be required.

7. METHODS FOR HANDLING WASTE DISPOSAL

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.

8. ANCILLARY FACILITIES

None.

9. WELL SITE LAYOUT

Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, reserve pit, etc. The reserve pit will be lined with plastic. The pad and pits are staked.

10. PLANS FOR RESTORATION OF SURFACE

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

11. OTHER INFORMATION

A. Terrain: Flat.

B. Soil: Sandy.

C. Vegetation: Sparse.

D. Surface Use: Grazing.

E. Ponds and Streams: None within one mile.

F. Water Wells: None within one mile.

G. Residences and Buildings: None within one mile.

H. Arroyos, Canyons, Etc.: None within one mile.

I. Well Sign: Sign identifying and locating well will be maintained at drill site with the spudding of the well.

J. Open Pits: All pits containing mud or other liquids will be fenced.

K. Archaeological Resources: None observed.

12. OPERATOR'S REPRESENTATIVE

Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

Production and Drilling
B. G. Shirley or H. C. Pokrandt
1001 North Turner
Hobbs, New Mexico 88240
Phone: 393-4141

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this 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 Continental Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

5/31/79

Date

H. C. Pokrandt

H. C. Pokrandt

Production Superintendent

PEB:cab