SURFACE USE PLAN BELCO PETROLEUM CORPORATION FEDERAL BL 25-1 1980' FEL, 1980' FSL, Sec. 25, T-23-S, R-33-E Lea County, New Mexico Lease: New Mexico 25465

The proposed wellsite is approximately 25 miles northwest of Jal, New Mexico, and can be reached by exiting from State Highway 128 approximately 20 miles from Jal, and traveling 5 miles north and west to the location, as shown on Exhibit "A".

1. <u>EXISTING ROADS</u>: Access and existing roads are shown on Exhibits "A". In addition, Exhibit "B" also illustrates proximity access. Exhibit "B" is an enlargement of USGS topographic quadrangle, Hat Mesa, New Mexico, to a scale of 1: 24,000. Existing roads are also shown on Exhibit "C", a plat of the lease at a scale of 1" = 500'.

Belco plans to maintain an existing entry caliche road which extends one mile westward from the existing, maintained, good condition road shown on Exhibits "A" and "B".

2. <u>PROPOSED ROAD</u>: Belco plans to construct an entry road approximately 1800' long from the existing road on the south side of Section 25, as shown on Exhibit "B".

Cut and Fill: None anticipated excepting some compacted caliche to level the pad.

Culverts: None required.

Cattleguards, Gates, etc.: None are planned at this time.

3. <u>EXISTING WELLS</u>: This proposed gas well is located in the vicinity of Bell Lake Field, and existing wells in the area are shown in Exhibits "A" and "B".

4. PRODUCTION, GATHERING, TREATING AND STORAGE FACILITIES:

Tank Battery: Tank battery site, as shown on Exhibit "D", in the event of a successful well.

Flow Lines: Proposed flow lines are shown on Exhibit "D".

5. WATER SUPPLY: Belco plans to acquire water from water facilities for Bell Lake Field located in Section 1, T-24-S, R-33-E.

6. <u>SOURCE OF CONSTRUCTION MATERIALS</u>: Caliche for maintaining the existing roads, construction of the new entry road and for surfacing the proposed wellsite pad will be obtained from existing open pits in the NE¹/₄ Section 1, T-24-S, R-33-E, and SE¹/₄ Section 30, T-23-S, R-34-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 until 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 24 inches of dirt.

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

9. <u>WELLSITE LAYOUT</u>: 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: 350' x 230'

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

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