

SURFACE USE PLAN

1. Existing Roads

- a. See surveyor's plat for actual staking.
- b. This well site is located approximately 5 miles Southeast of Jal, New Mexico on highway 18. Follow map on Exhibit B from there.
- c. See exhibit "B" for access roads.
- d. This is not an exploratory well.
- e. See Exhibit "B" for one mile radius road map.
- f. No improvements or maintenance is anticipated for existing roads.

2. Planned Access Roads

- a&b. See Exhibit "B". We plan to construct 400' of 12' wide road. We will construct water bars where necessary. This area is nearly level with rolling sand hills.
- c. There will be no turnouts.
- d&e. Water bars will be constructed where required to prevent erosion. New road will have a 6" drop from center line on each side. Road will be cut into any arroyos and sloped across bottom to maintain normal drainage. Cuts and fills will be kept to a minimum.
- f. We will use six inches of caliche, bladed, watered, and compacted on the road surface.
- g. No gates, cattleguards, or fences will be needed.
- h. Proposed road has been center line flagged.

3. Location of Existing Wells

- a-i. See Exhibits "B" and "C" for locations of existing wells.

4. Location of Existing and or Proposed Facilities.

- a&b. See Exhibit "D".
- c. Rehabilitation will commence immediately following removal of drilling and completion equipment from location. Pits will be backfilled and leveled as soon as practical to to original condition. (See section 10 below)
- d. We are hereby applying for construction of all necessary lines to the tank battery as shown on Exhibit "D". This includes electric lines shown on Exhibit C.

5. Location and Type of Water Supply

- a&b. Water will be hauled from Jal, New Mexico over existing roads.
- c. No water well will be drilled.

6. Source of Construction Materials

- a-d. Caliche for surfacing new road and location will be hauled over existing roads from pits located in Sec. 23, 14, & 15 T26S, R37E. Caliche will be bought from the Federal Gov't. No new access roads across federal or Indian lands will be needed.

7. Methods for Handling Waste Disposal

- a. Cuttings will be disposed of in the reserve pit.
- b&c. Drilling fluids and produced water will be collected in the reserve pit and hauled away to an approved disposal system or a separate disposal application will be submitted. Any produced oil will be run to the tank.
- d&e. All detrimental debris will be hauled away, burned, or buried with a minimum cover of 36" of dirt. Barrel trash containers will be placed around location during drilling and completion operations.
- f. See section 4:c above and section 10 below for clean up operations.

8. Ancilliary Facilities

- a. No camps or airstrips will be needed.

9. Well Site Lay out

- a-c. See Exhibit "A"
- d. Pits will be lined with plastic and covered with a fine mesh netting if necessary for the protection of wildlife, if fluids are found to be toxic.

10. Plans for Restoration of Surface

- a. See section 4:c and section 7:a-f.
- b. Location will be reseeded as per BLM specifications if well is productive. If unproductive, roads and location will be ripped and reseeded as per BLM specifications.
- c. Prior to rig release, pits will be fenced and so maintained until cleanup.
- d. If any oil is on the pit, it will be removed or flagged.
- e. See section 4:c for time table.

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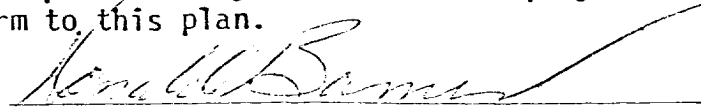
11. Other Information
- a. Site is located in low rolling sand hills as can be seen from Exhibit "B". The soil is very sandy with sparse vegetation. The vegetation consists of grass, wood, shrubs and other semi desert plants.
 - b. The surface is used for grazing.
 - c. There are no ponds or streams within 1 mile of location. No buildings, residences, or water wells are within 1 mile of location.
 - d. A sign identifying and locating well will be maintained at the drill site with the spudding of this well.
 - e. There were no archeological resources observed at this site or along proposed flowline or electric lines.
 - f. All open pits will be fenced.

12. Operator's Representative.
- a. Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows: Donald Barnes, 720 So. Colorado Blvd., Penthouse, Denver, Colorado 80222. Office = 303/758-7130 ext. 212

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 as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by Tenneco Oil Company and its contractors and sub-contractors will conform to this plan.

JAN 23 1978

Date


D.S. Barnes
Division Drilling Engineer

No major cuts or fills are necessary.

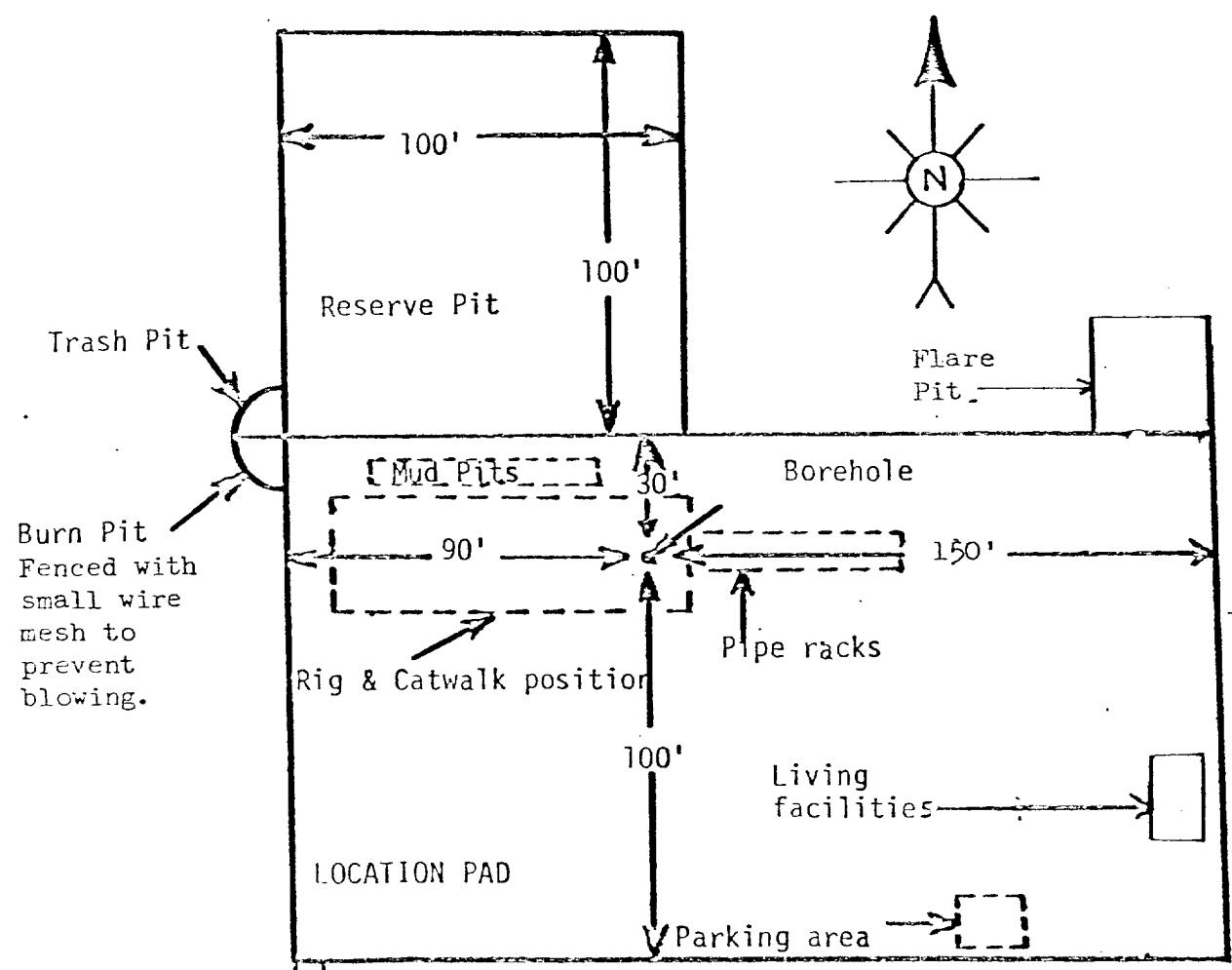


EXHIBIT "A"
Rig layout for Leonard Bros. well # 22

Scale 1" = 50'