MULTI-POINT SURFACE USE AND OPERATION PLAN
HNG OIL COMPANY
Wilson 8 Federal Sec. 8-26S-36E
Lea County, New Mexico
Lease New Mexico 18644

#1 1980' FNL & 660' FEL
#2 1980' FNL & 1980' FEL
#3 1980' FSL & 660' FEL
#4 660' FNL & 660' FEL
5= 2140' FSL & 1787' FEL
6= 660' FNL & 1980' FEL
7= 853' FSL & 1787' FEL

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

1. EXISTING ROADS:

A. Exhibit "A" depicts the location of the proposed wells as staked. Upon entering Jal, New Mexico, proceed south on No. 3rd from Hwy. 128 approximately 3 miles where NM 205, an improved road begins. Approximately 1 mile southwest, turn right on first road past gravel pit 1.7 miles, left on road by ranch thru two cattleguards 1.3 miles to #1.

B. Portions of the existing lease road will have minor repairs to upgrade the road. Repairs will consist of replacing the eroded caliche surface with a new caliche surface 6 inches deep and 12 feet wide, watered and compacted.

2. PLANNED ACCESS ROADS:

A. Length and width: Access road required will be 12 feet wide and 1800 feet on #3 & 4. This new road is labled and color coded green (Exhibit B). The center line of the proposed new road from the beginning to the wells, has been staked and flagged with the stakes being visible from any one to the next.

B. Surfacing Material: Six inches of caliche, water compacted, and graded.

C. Maximum Grade: 3 percent.

D. Turnouts: One passing turnout will be constructed approximately 580 feet west of well #3. All existing roads have turnouts.

E. Drainage Design: New road will have a drop of 6 inches from center line on each side.

F. Culverts: None required.

G. Cuts and Fills: None required.

H. Gates, Cattleguards: One cattleguard will be installed in fence dividing section lines. Location is marked with X on exhibit "B."

3. LOCATION OF EXISTING WELLS:

A. Existing wells within a one-mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are no existing production facilities.

B. If production is encountered, a temporary facility will be established on the southwest corner of the drill pad on #3 well, and if warrented, a centeral battery at a later date built at that location. The flow-lines if laid would pass under roads in route to the facility thus requiring conduit installation when needed.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling will be purchased from commercial sources and transported by truck to the wellsites over the existing and proposed roads shown on Exhibits "A" and "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and the well pads will be obtained from commercial sources and transported by truck to the various sites.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

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

C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the wellpad, mud pits, reserve pit, trash pit, and location of major rig components.

B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.

C. The reserve pit will be plastic lined.

D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. 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 to leave the wellsite in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment of the wells, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. The pit area, and well pads will be ripped to promote revegetation. Access roads will remain as per agreement with the surface owner.

11. OTHER INFORMATION:

A. Topography: Land surface is undulatory and duny, sloping gently toward the south at about 20 feet per mile.

B. Soil: Soil is a deep fine sand underlain by caliche.

C. Flora and Fauna: The vegetative cover is moderate and is primarily shinnery with some perenial native range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles and some birds.

D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.

E. Residences and Other Structures: None. The nearest water well is approximately 1.8 miles east of #1.

F. Archeological, Historical and Cultural Sites: None observed in the area.

G. Land Use: Grazing and hunting in season.

H. Surface Ownership: The surface area of both the access road and drill sites are privately owned by Mr. Frank Anthony, Monahans, Texas 79756.

12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Mr. Phil Stinson
4016 East Everglade
Odessa, Texas 79760

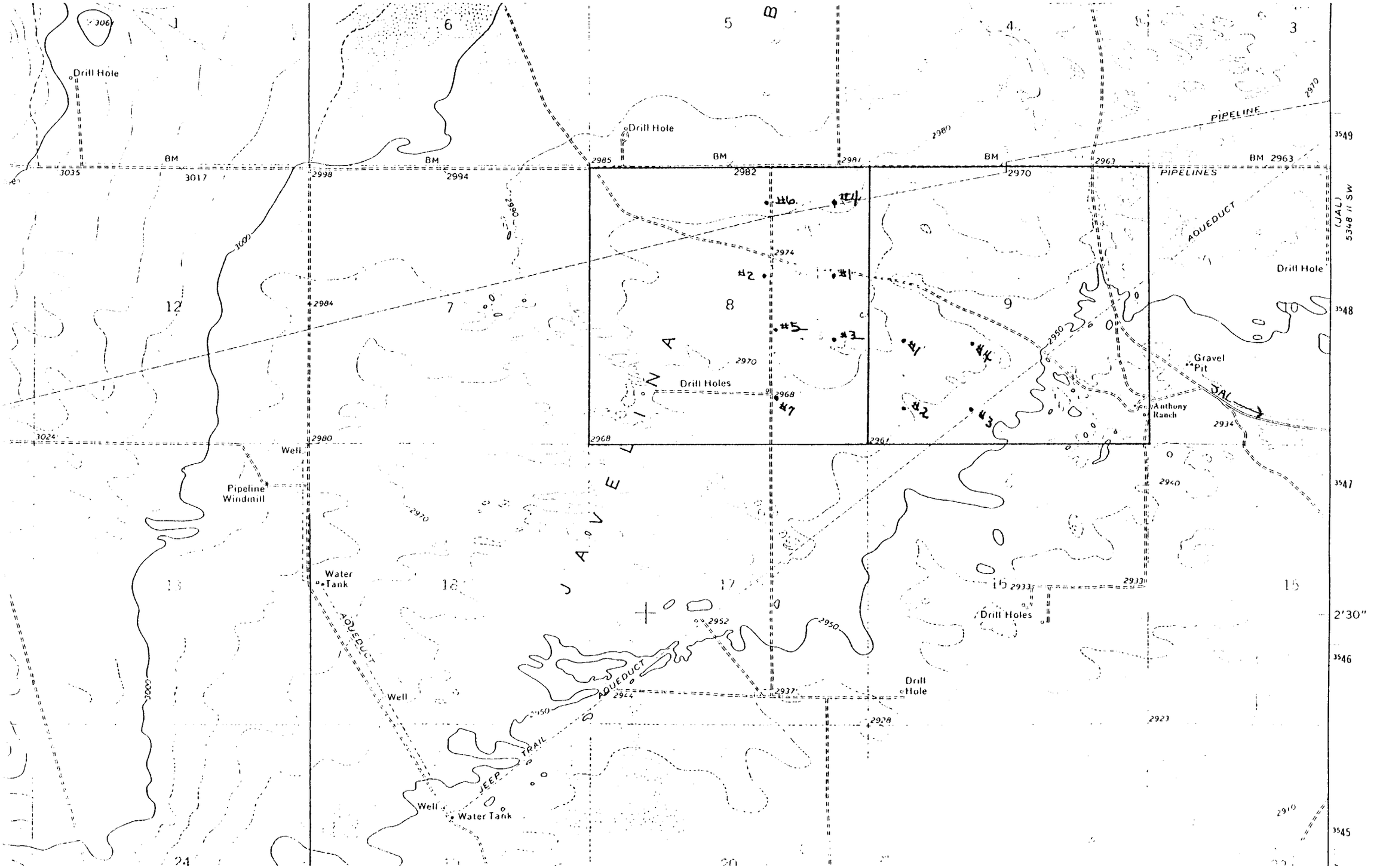
Phone: Business 1/915/683-4871
Home: 1/915/362-6240

13. CERTIFICATION:

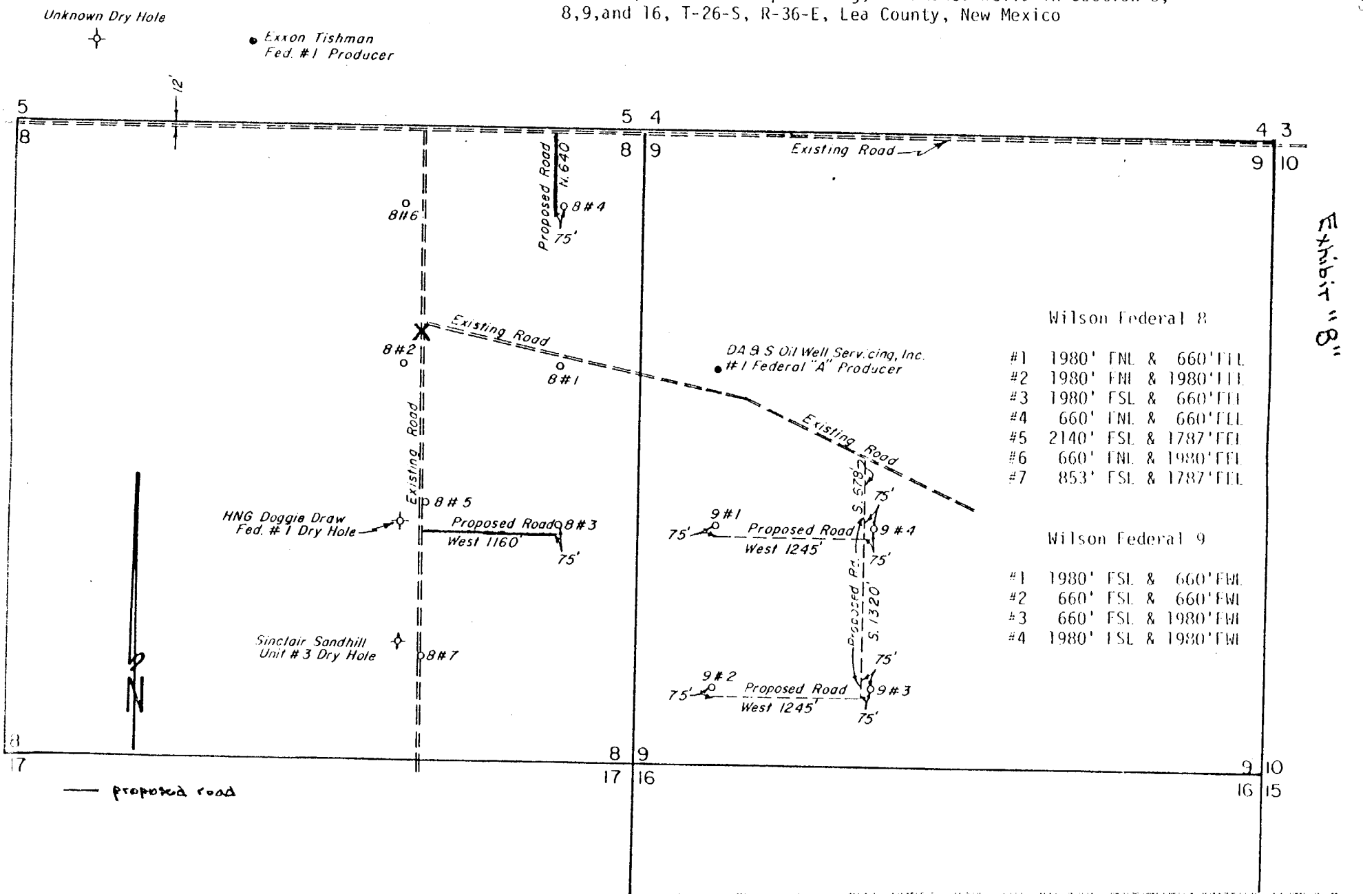
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; and I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by HNG Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Jan 23, 1979
DATE

W. L. Lorette
Vice-President of Operations


Drill Hole
BM 3035
BM 3017
BM 2998
BM 2994
Drill Hole
BM 2985
BM 2982
BM 2981
BM 2970
BM 2963
PIPELINE
PIPELINES
AQUEDUCT
#6
#4
#2
#1
#5
#3
#4
#1
#2
#3
#7
Drill Holes
Drill Hole
Gravel Pit
JAL
Anthony Ranch
Well
Pipeline Windmill
Water Tank
AQUEDUCT
Well
Drill Holes
Drill Hole
JEEP TRAIL
Well
Water Tank
JAVELINA
(JAL) 5348 II SW
3549
3548
3547
3546
3545
2'30"
N

Plat showning proposed roads and relation H. N. G. Oil Company Wilson Federal 8 # 1,2,3,4,5,6,7,and Wilson Federal 9 # 1,2, 3 and 4, well to all producing, abandoned wells in Section 5, 8,9,and 16, T-26-S, R-36-E, Lea County, New Mexico



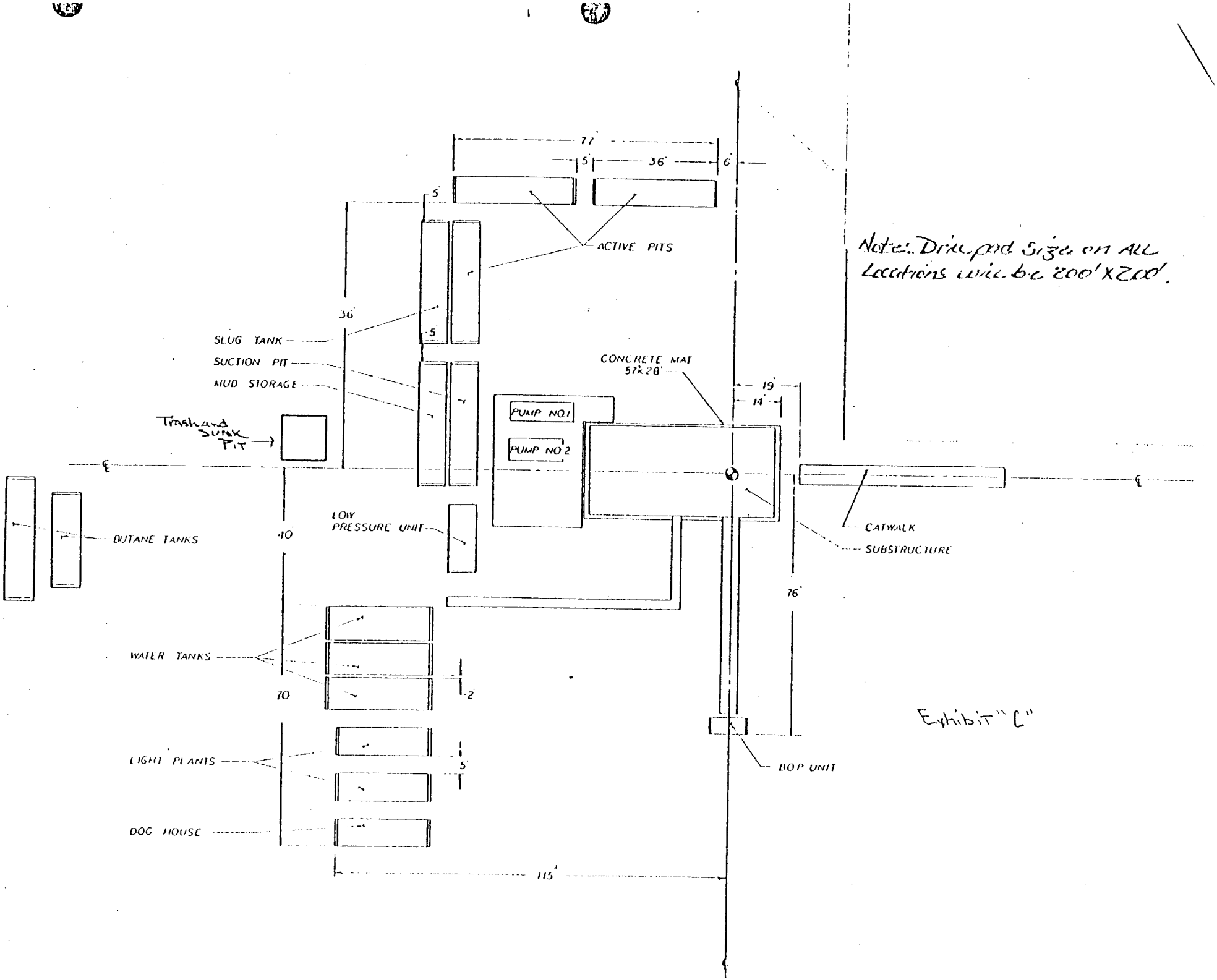
Wilson Federal 8

#1	1980' FNL &	660' FEL
#2	1980' FNL &	1980' FEL
#3	1980' FSL &	660' FEL
#4	660' FNL &	660' FEL
#5	2140' FSL &	1787' FEL
#6	660' FNL &	1980' FEL
#7	853' FSL &	1787' FEL

Wilson Federal 9

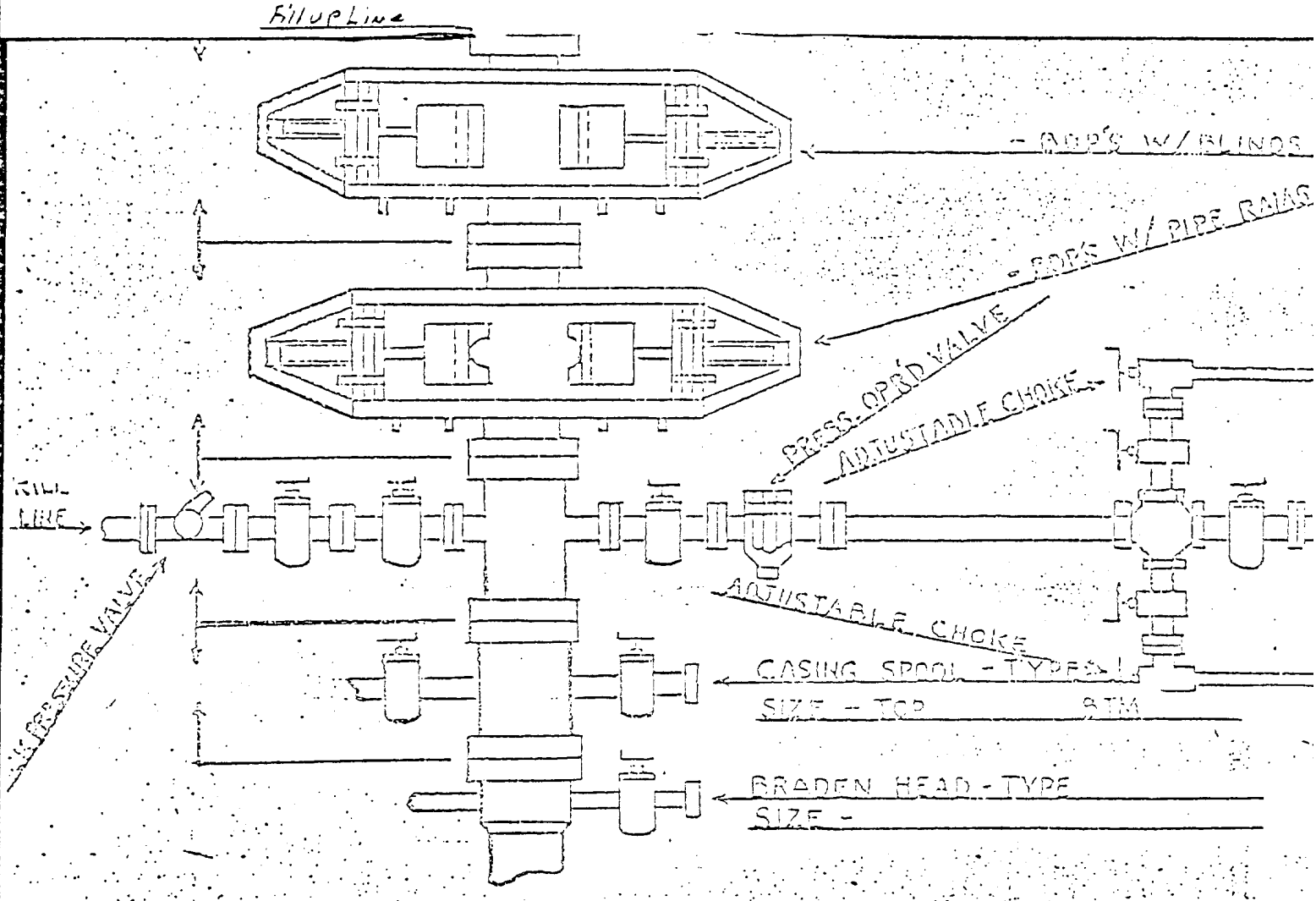
#1	1980' FSL &	660' FWL
#2	660' FSL &	660' FWL
#3	660' FSL &	1980' FWL
#4	1980' FSL &	1980' FWL

Exhibit "B"



Note: Drill pad size on all locations will be 200'x200'.

Exhibit "C"


Fill up Line
- BOP'S W/ BLINDS
- BOP'S W/ PIPE RAMS
PRESS. OPR'D VALVE
ADJUSTABLE CHOKE
FILL LINE
ADJUSTABLE CHOKE
CASING SPOOL - TYPE
SIZE - TOP
BTM
BRADEN HEAD - TYPE
SIZE -

Sec. "8"

APPLICATION FOR PERMIT TO DRILL

1. The geologic surface formation is Quaternary.

2. The estimated tops of important geologic markers are:

1. Anhydrite	2340	6.	
2. Yates	3170	7.	
3.		8.	
4.		9.	
5.		10.	

3. Depths at which oil, water, or gas bearing formations are expected to be encountered.

   3170 - oil

4. Brief description of testing, logging, and coring programs.

   Run casing for production test. No cores open hole logs: GR - porosity & a resistivity log.

5. Any anticipated abnormal pressures or temperatures expected? Any potential hazards - H2S?

   No abnormal press.
   No H_2S hazards.

1. (A) Pressure control equipment to be used.

Double BOP & choke manifold.
Rotating preventer.

(B) Pressure ratings (or API series).

3000# or 900 series

(C) Testing procedures and frequency.

Test w/plug in wellhead
@ installation as surface casing point

(D) Schematic Diagram.

2. Mud Program

Type and Characteristics

Fresh water 89 - 92 35 vis no water loss in surface hole.

Salt water 9.7 - 10.2 35 vis 20cc water loss under surface.

Quantities and types of weighting material to be maintained

200 sx Barite.