

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM

Form No. 1
Supersedes No. 1
1-1-77

All distances must be from the outer boundaries of the Section

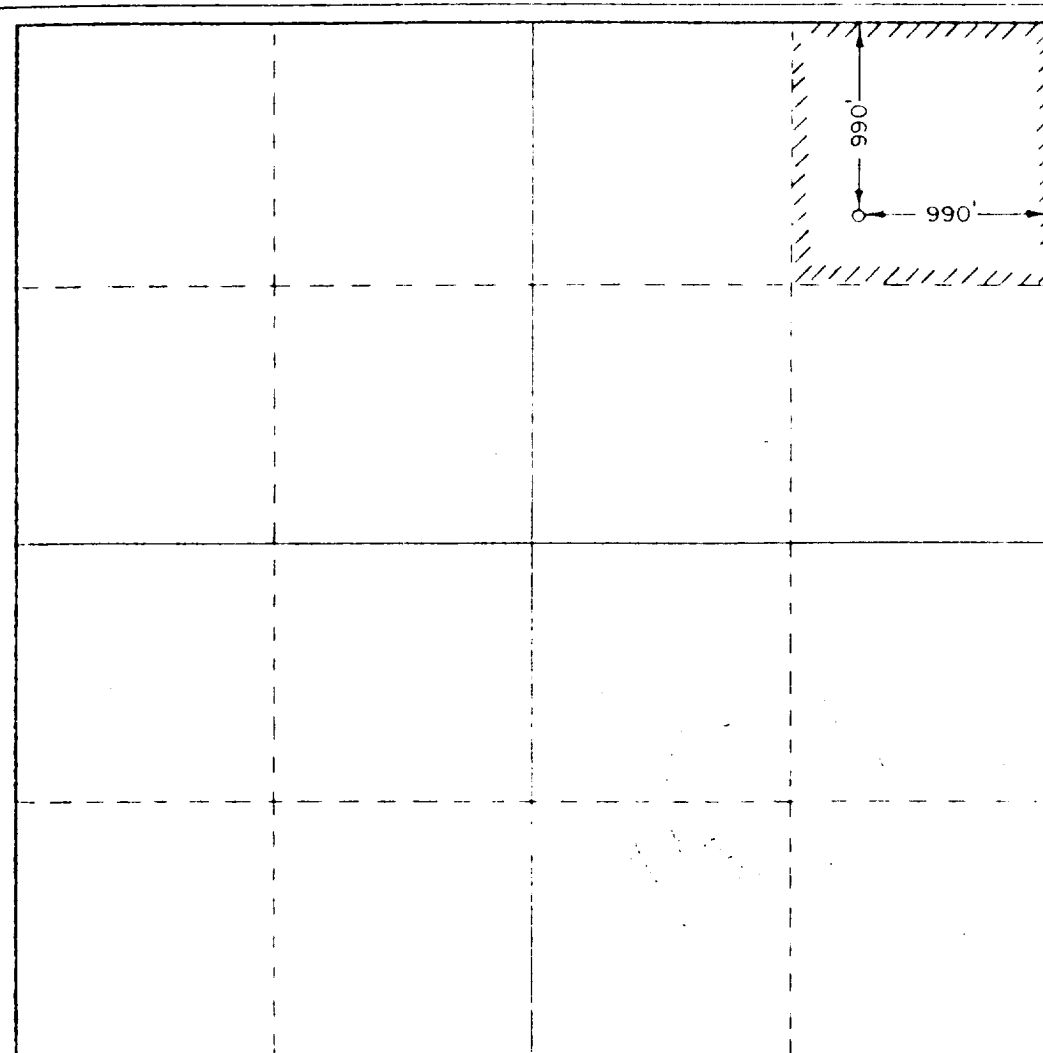
Owner TERRA RESOURCES, INC.			Lease CARLSON B-13		Acres 8
Section A	Section 13	Township 25 SOUTH	Range 37 EAST	County LEA	
Nearest Feature Location of Well					
990		NORTH		990	
feet from the		line and		feet from the	
Ground Level Elev. 3095.3		Producing Formation Tubb Drinkard		Pool Justis Tubb Drinkard	
				Dedicated Acreage 40	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to well ownership and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information obtained herein is true and complete to the best of my knowledge and belief.

[Signature]

Basin Oil Consultants

Terra Resources, Inc.

April, 15, 1977

I hereby certify that the well location shown on this plat was plotted from the notes of actual surveys made by me under my supervision and that the same is true and correct to the best of my knowledge and belief.

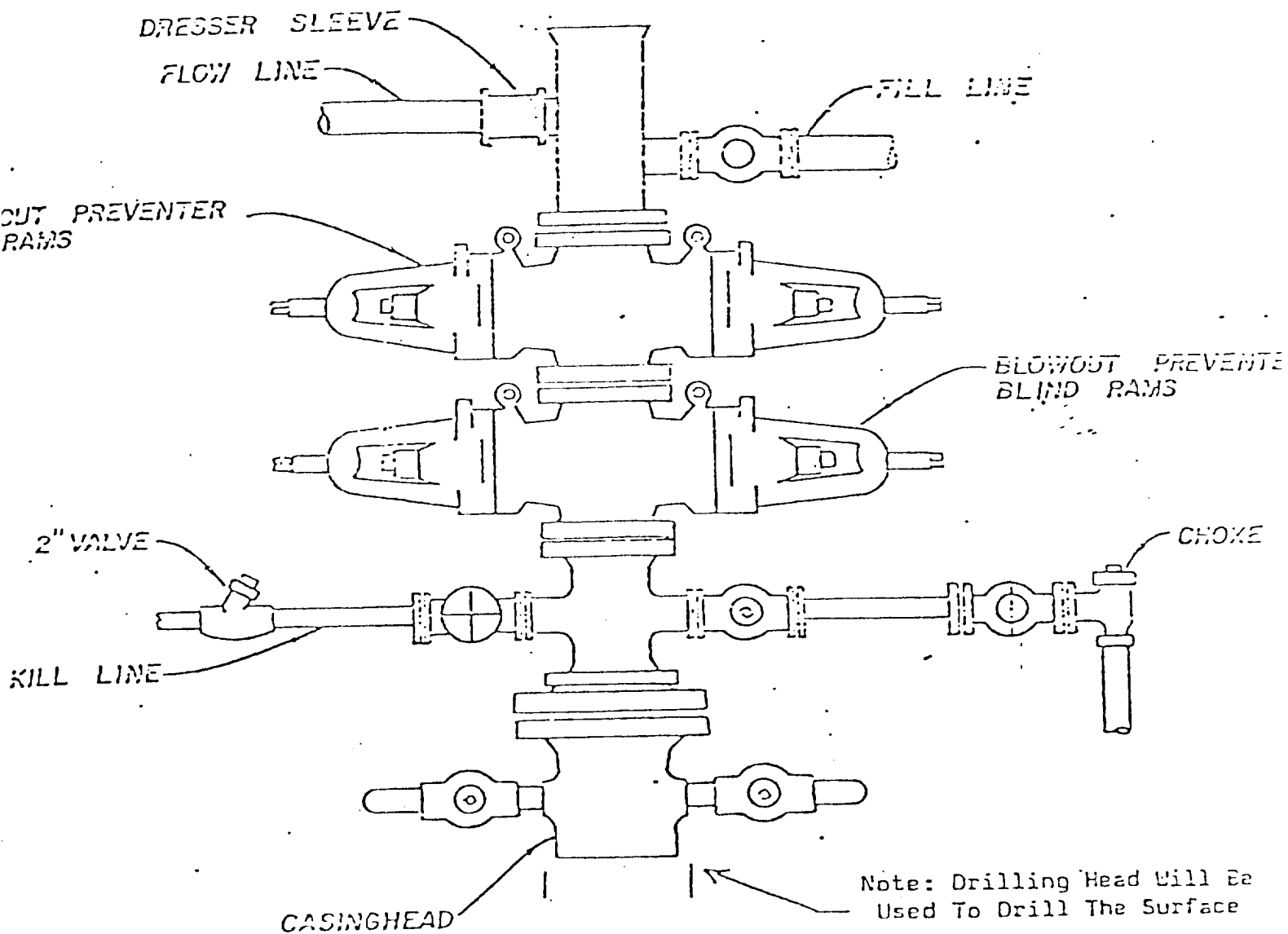
April 14, 1977

Registration Fee _____
Notary Public Fee _____

[Signature]

BLOWOUT PREVENTER HOOK-UP

2000 PSI WORKING PRESSURE



TERRA RESOURCES, INC.

Carlson B-13 Well No. 8

990' FNL and 990' FEL Sec. 13 T25S R37E.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

TERRA RESOURCES, INC.
WELL NO. 8 CARLSON B-13
990' FNL and 990' FEL, SEC. 13, T25S; R37E
LEA COUNTY, NEW MEXICO
Lease New Mexico #NM051998

This plan is submitted with the Application for Permit to Drill the above described well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and 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" is a portion of a highway map showing the location of the proposed well as staked. On State Road 128, 4.5 miles East of the community of Jal, N.M. a well-traveled caliche road (Lease) intersects State 128 and proceeds North approximately 4800'. The new location is 330' East of this existing road, and 4290' North of State Road 128 and of South Line of Sec. 13, T25S and R37E.
- B. Exhibit "B" is a plot showing all existing roads within a one mile radius of the wellsite and the planned access road.
- C. No repairs to existing roads will be required.

2. PLANNED ACCESS ROADS:

- A. Length and Width: New road required will be 12 feet wide and approximately 250' long. This new road is labeled and color coded red on Exhibit "B". The center line of the proposed new road from the beginning to the wellsite, has been staked and flagged with the stakes being visible from one to the next.
- B. Surfacing Material: Six inches of caliche, watered, compacted and graded.
- C. Maximum Grade: 5 percent grade for approximately 200' north of well-site.
- D. Turnouts: None required.
- E. Drainage Design: New road will have a drop of 6 inches from center line of each side.
- F. Culverts: None required.

G. Cuts and Fills: Limited to levelling of sand dunes.

H. Gates, Cattleguards: None required.

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. No existing facilities on lease.

B. If the proposed well is completed as a producer the location of the proposed flowline from Well No. 8 is shown on Exhibit "C". The flowline will not be buried and will be strung in a straight line approximately 1000' south to an existing battery.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling will be purchased from Jal Country Club water station and transported by truck to the wellsite over existing roads and new proposed lease road shown on Exhibit "A" and "C".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road, wellsite and battery site will be bought from either fee owner or USGS, whichever is nearer.

7. METHODS OF HANDLING WASTE DISPOSAL:

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

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

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

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

E. Trash, waste paper 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 wind. Location of pit is shown on Exhibit "D".

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

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

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

B. A slight cut and leveling of the well site will be required.

C. The reserve pit will be plastic lined if after construction it is determined that it will not hold water.

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 well, surface restoration will be in accordance with agreement with surface owner.

11. OTHER INFORMATION:

A. Topography: Land surface consists mainly of sand dunes of medium magnitude. From the elevation of 3095' at the wellsite the surface slopes gently to the south at about 30 feet per mile.

B. Soil: Soil is deep sand over caliche and limestone.

C. Flora and Fauna: The vegetation is sparse shrubbery, sand sage, and weeds. Wild life in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

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

E. Residences and Other Structures: There are no buildings of any sort within a 1 1/2 mile radius.

F. ARCHEOLOGICAL, HISTORICAL AND CULTURAL SITES: There have been none observed in the area.

G. Land Use: Grazing and hunting in season.

H. Surface Ownership: Fee surface owner is Mr. George Blocker of Jal, New Mexico.

12. OPERATORS REPRESENTATIVE:

The field representatives responsible for assuring compliance with the approved surface use operations plan are as follows.

W. N. Stewart
719 East Yucca Dr.
Hobbs, New Mexico
Home Phone: 505/393-3977

15. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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 performed by Terra Resources, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

5-25-78
Date

W. N. Stewart Foreman
Name and Title