

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

DOYLE HARTMAN
SANTA FE FEDERAL NO. 1
660 FSL & 660 FWL Section 27
T-25-S, R-37-E
LEA COUNTY, NEW MEXICO
LEASE NOS. LC-032579-f & LC-032579-e

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, 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:

Exhibit "A" is a portion of a United States Geological Survey Topographic Map covering a part of T-25-S, R-37-E, Lea County, New Mexico which shows the location of the proposed well as staked. Also included on Exhibit "A" are all nearby New Mexico State Highways (SH-18 and SH-128) as well as all existing roads within a one mile radius of the proposed well site and the planned access road.

To reach the proposed well, first drive eight-tenths (0.8) miles south on SH-18 from the intersection of SH-128 and SH-18 in Jal, New Mexico. Then turn left onto a blacktop county road (turns into a caliche road) and drive two (2.0) miles. Next turn right onto a lease road and drive south-southwest three-quarters (0.75) miles to the drill site.

2. PLANNED ACCESS ROADS:

- A. Length and Width: The required new access road will be twelve (12) feet wide and approximately 1220 feet long. The new road is labeled and color coded red on Exhibit "A". The center line of the proposed new road from the edge of the well site to the existing access road has been staked and flagged with the stakes being visible from one stake to the next.
- B. Surfacing Material: Six inches of caliche, water, compacted and graded.
- C. Maximum Grade: Three (3) percent.
- D. Turnouts: No new turnouts required.

E. Drainage Design: New road will have a drop of six (6) inches from the center line to each edge of the road.

F. Culverts: None required.

G. Cuts and Fills: None required.

H. Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of the proposed drill site are shown on Exhibit "B".

4. LOCATION OF EXISTING AND PROPOSED PRODUCTION FACILITIES:

A. Existing Facilities: There are currently no existing production facilities located on the subject lease which are associated with the Jalmat Pool.

B. Proposed Facilities: Since it is anticipated that the proposed well will be completed as a dry gas well, no surface facilities will be required other than a line tying the well into El Paso's existing gas gathering system. El Paso will file for the permit for the required new gas gathering line. However, in the event that surface production facilities are required, they will be constructed on the proposed drill site.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling the proposed well will be purchased from the Jal Country Club, and will be trucked 3 1/2 miles by XL Transportation Company to the well site.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche for surfacing the road and well pad will be obtained from an existing pit located in the NW/4 NW/4 Section 27, T-25-S, R-37-E. The pit is on land owned by Mr. Clyde Cooper. Location of the pit is shown in Exhibit "A".

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill Cuttings: Drill cuttings will be disposed of in drilling pits.

B. Drilling Fluids: Drilling fluids will be allowed to evaporate in drilling pits until the pits are dry. While the drilling pits are in the evaporation stage, they will be adequately fenced so as not to be a hazard to people or livestock.

- C. Formation Water and Oil: Although not anticipated, any produced formation water will be disposed of in the drilling pits. Oil produced from the well during tests will be stored in test tanks until sold.
 - D. Human Waste: All current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, Waste Paper, Garbage, and Junk: All trash, waste paper, garbage, and junk will be buried in a trash pit located adjacent to the reserve pit and will be covered with a minimum of 24 inches of dirt. Before burial, the waste material will be contained to prevent scattering by the wind. The location of the trash pit is shown in Exhibit "C".
 - F. Trash Burial: All trash and debris will be buried or removed from the well site within thirty (30) days after finishing well completion operations.
8. ANCILLARY FACILITIES:
- None required.
9. WELLSITE LAYOUT:
- A. Wellsite Boundaries: The boundaries of the wellsite have been staked and flagged.
 - B. Rig Components: Exhibits "C" and "D" show the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit, and location of major rig components.
 - C. Wellsite Levelling: Only minor levelling of the wellsite will be required. No cuts or fills will be necessary.
 - D. Pit Lining: The reserve pit will be plastic lined.
10. PLANS FOR RESTORATION OF THE SURFACE:
- A. Equipment Removal: After the finishing of drilling and/or completion operations, all drilling equipment and other material not needed for routine operations will be removed from the wellsite. Pits will be filled and the location cleaned of all trash and junk thus leaving the wellsite in an aesthetically pleasing condition.
 - B. Unguarded Pits: Any unguarded pits containing fluid will be fenced until they are back-filled.
 - C. Well Abandonment: Upon abandoning the proposed well, the surface restoration will be in accordance with the agreement with the surface owner. As stated above, the pits will be filled and the location will be cleaned. The pit area,

well pad, and all unneeded access roads will be ripped to promote vegetation. Rehabilitation will be accomplished within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The wellsite is located at the base of the Caprock. Above the base of the Caprock, the surface slopes to the south at the rate of 100 feet/mile. At the base of the Caprock, the land slopes more gently to the southwest at the rate of 20 feet per mile.
- B. Soil: The surface is rocky (caliche) with a very thin soil cover.
- C. Flora and Fauna: The vegetation cover is generally sparse and consists of mesquite and perennial native range grasses. Wildlife in the area is typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, doves, and quail.
- D. Ponds and Streams: There are no rivers, streams, ponds, or lakes in the area.
- E. Residences and Other Structures: The nearest occupied dwellings are in the city of Jal two (2) miles northwest of the wellsite. The closest water supply is also located at Jal, New Mexico.
- F. Archeological, Historical, and Cultural Sites: None observed in the area.
- G. Land Use: Grazing and bird hunting.
- H. Surface Ownership: Well is on surface owned by Mr. Clyde Cooper of Jal, New Mexico.

12. OPERATOR'S REPRESENTATIVES:

The field representatives responsible for assuring compliance with the approved Surface Use and Operations Plan are as follows:

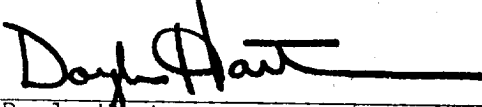
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13. CERTIFICATION:

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 proposed herein will be performed by Doyle Hartman and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

10-23-79
Date


Doyle Hartman
Operator-Part Owner