

SURFACE USE PLAN OF OPERATIONS

PRIME OPERATING COMPANY

WELLS B-1 #7

1930' from the north line, 1780' from the east line.

Section 1, T-25-S, R-36-E,

Lea County, New Mexico.

1) Existing Roads.

The well site and elevation plat for the proposed well is shown on Exhibit #2. It was staked by John West Engineering, Hobbs, New Mexico.

All roads to the location are shown on Exhibit #3. The existing roads are illustrated with a solid line and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary.

The existing roads will be used from the entry point at the highway. From Jal, New Mexico, go north on Hwy. 18 for 2.2 miles. Turn west onto "Country Club Road" for 1/4 mile. Immediately after crossing railroad tracks, turn northwest onto county road. Go northwest 1 2/10 mile. Road turns west. Continue 2/10th mile. Turn south for 3/10 mile to location.

2) Access Road Construction.

The location will require an additional 400' feet of new road. Exhibit #3 shows the proposed new road with a dashed line. The new road will be constructed in accordance with the manner of the existing roads in the area. The surface will be caliche and erosion rises will be provided as necessary. The road will go in a westerly direction from the location for 400' to the existing lease road.

3) Location of Existing Wells.

See the attached Exhibit #4, which shows the location of existing wells within a 1 mile radius.

4) Location of Existing and/or Proposed Facilities.

A lease tank battery is already in place and serves the other wells on the lease (see attached Exhibit #2). A power line right-of-way will be necessary and will be requested from the surface owner at the time of the completion of this well as a producing well.

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