MULTI-POINT SURFACE USE PLAN & OPERATIONS PLAN
BELCO PETROLEUM CORPORATION
Well No. 1 Federal 13
990' FNL, 1980' FWL, Sec. 13, T21S-R32E
Lea County, New Mexico
Lease: New Mexico 14155
A Development Well in the NMOCC
Hat Mesa Morrow Pool

The proposed wellsite is approximately eleven miles southeast of Halfway, New Mexico and can be reached by exiting from State Highway 176, 6.5 miles from Halfway. (See Exhibits "A" and "B").

1. EXISTING ROADS: Access and existing roads are shown on Exhibit "A", a regional map at a scale of 1" = 2 miles. In addition, Exhibit "B" also illustrates access. Exhibit "B" is a composite of enlarged portions of USGS topographic quadrangles Hat Mesa and Laguna Gatuna at a scale of 1:24,000. Existing roads are also shown on Exhibit "C", a plat of the lease at a scale of 1" = 500'.

The existing access road is in good condition and is apparently maintained by other operators in the Pool.

2. PROPOSED ROAD: A proposed 300'± road is shown on Exhibits "A", "B" and "C".

A. Length and Width: Approximately 300' of 20' sub-grade under 12' width roadway flagged sufficiently to be readily observed.

B. Surfacing Material: New road will be surfaced with six inches of compact caliche derived from existing open pits in vicinity of location.

C. Turnouts: None

D. Cut and Fill: None anticipated.

E. Culverts: None

F. Cattleguards, Gates, etc.: None

3. LOCATION OF EXISTING WELLS: This proposed development gas well location is on the east side of the Hat Mesa Pool as shown on Exhibits "A" and "B". Dry holes are also shown on Exhibits "A" and "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Tank Battery: Tank battery site as shown on Exhibit "D" in the event of a successful well.

B. Flow Lines: Proposed flow lines are shown on Exhibit "D" and will be contained within the existing pad.

5. WATER SUPPLY: Drilling water will be transmitted to the proposed wellsite by Roland Trucking Water Haul, Hobbs, New Mexico. The source is presently not known.

6. SOURCE OF CONSTRUCTION MATERIALS: Caliche for surfacing proposed road and wellsite pad will be obtained from existing open pits on Federal Lands in E/2 SW/4 Section 11, T21S-R32E and NE NE Section 14, T21S-R32E.

7. METHODS OF HANDLING WASTE DISPOSAL:

Drill cuttings will be disposed of in the drilling pits.

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

Any produced water will be collected in tanks until hauled away. Any oil produced during tests will be stored in test tanks until sold.

Trash containers will be provided around the drilling rig during drilling and completion procedures. Trash, waste paper, garbage, and junk will be buried in a separate trash pit, as shown on Exhibit "D", and covered with a minimum of 24 inches of dirt.

8. ANCILLARY FACILITIES: No camps, airstrips, etc. will be constructed.

9. WELLSITE LAYOUT: Exhibit "D" shows the dimensions and the relative locations of the well pad, mud pits, reserve pit, and trash pit with respect to the well.

A. Mat Size: 350' x 230'

B. Cut and Fill: The proposed drillsite pad will require a minor amount of leveling which will consist of fill on the eastern side of the pad.

C. Surfaced: The base will be surfaced by 6 inches of compact caliche.

D. Reserve Pit: 155' x 125' pit lined with plastic.

E. Cleared Buffer Area: No buffer area is to be cleared; however, area around well mat may be used for turn-a-round and/or storage.

10. PLANS FOR RESTORATION OF THE SURFACE: 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 as soon as practical or buried with at least 25" of cover. Any unguarded pits containing fluids will be fenced until they are filled. After abandonment of the well, the well pad and all unneeded access roads will be ripped to promote re-vegetation.

11. OTHER INFORMATION:

A. Topography: Land surface consists of very low relief, nearly level, plateau.

B. Soil: Some sand and sandy soil underlain by some caliche.

C. Vegetation: Some mesquite, bitterweed, some cacti and native grasses.

D. Wildlife: None observed.

E. Ponds and Streams: None present in vicinity of drillsite.

F. Residences and Other Structures: There are no occupied dwellings within 1/2 mile.

G. Water Wells: Water wells observed less than one mile east of proposed well location.

H. Land Use: Sparse grazing and hunting.

I. Surface Ownership: All Federal - Lease in Section 13 covered by a grazing lease issued by BLM to D. C. Berry, c/o Hazel Berry, P. O. Box 1075, Lovington, New Mexico 88260.

J. Well Sign: Sign identifying and locating well will be maintained at drillsite commencing with the spudding of the well.

12. OPERATOR'S REPRESENTATIVE: Field personnel who can be contacted concerning compliance of this Multi-Point Surface Use Plan & Operations Plan consists of:

Ray Belden
411 Petroleum Building
Midland, Texas 79701
Phone: (915) 683-6366

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 plat are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by BELCO PETROLEUM CORPORATION and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and sub-contractors.

Lee G. Nering
Administrative Geologist
BELCO PETROLEUM CORPORATION
Houston, Texas