

## SURFACE USE PLAN

**Operator:** McElvain Oil & Gas Properties, Inc.  
**Lease Name:** Sand Hills Federal #5-9  
**Lease Number:** COC-57717  
**Location:** 1906' FSL & 660' FEL, Section 5, T11N, R91W,  
Moffat County, Colorado

081-0699



### 1. Existing Roads:

- A. See attached Topo Map A and Topo Map B.
- B. Follow Highway 13 south from Baggs, Wyoming for approximately 7.0 miles. Turn west onto an existing lease road for  $\pm 250$  feet. Turn southwest onto an existing two track for approximately 0.3 miles to Sand Hill Federal #5-9 location.
- C. This well will require approximately 0.3 miles of upgrading to an existing two track. The upgrade portion of the road will take off from the existing lease road and proceed in an southwesterly direction to the location. McElvain Oil & Gas Properties, Inc. applies for a 50' wide right of way for both the existing access and that portion to be upgraded. Also included is a  $\pm 1321'$  x 50' wide Right of Way request to be used for the installation of a new pipeline. This right of way originates at the well pad and terminates at the tie in point on the Questar pipeline. The pipeline is shown on Topo Map C.
- D. Exploratory Well - N/A
- E. Development Well - All existing roads are shown on the attached Topo Map A and Topo Map B.
- F. Plans for improvement and maintenance - Existing roads are bladed dirt. All existing roads will be maintained in their present condition during the drilling and completion of this well.

### 2. Access Road: (New and Existing)

- A. Width: 20' running surface.
- B. Maximum Grade: Less than 8%.
- C. Turnouts: None anticipated.

2. **Access Road:** (CONTINUED)

- D. Drainage Design: As per BLM standards.
- E. Upgrade Existing road: None.
- F. Location and size of culverts: Culverts will be installed as necessary, after completion, to insure adequate drainage.
- H. Surface Materials: Gates - None. Cattle guards - None. Fence cuts - None. Road base - None.
- I. Centerline Flagging:  $\pm 0.3$  mile from existing lease road to the proposed location.

3. **Location of Existing Wells:**

This is a development location. All existing and proposed wells within a one mile radius are shown on the attached Well Location Map.

4. **Location of Existing and Proposed Production Facilities:**

- A. Existing facilities: There are 6 gas wells operated by various companies within a one mile radius of the proposed location. These locations have production facilities including separators, condensate storage tanks, dehydrators, pumping units, compressors and location drips. The area also contains gas gathering facilities and pipelines.
- B. Proposed facilities: The proposed location will have a separator, a produced water storage tank and a produced oil tank if required. The actual equipment used and it's configuration will be determined after the well is completed. A flowline will be installed as described in item #8.
- C. Plans for Rehabilitation of the Surface: All surface areas not needed for operation of the well will be recontoured to blend with the existing topography and seeded with a mixture specified by the surface managing agency. All pits will be fenced until they are covered.

**5. Location and Type of Water Supply:**

- A. Location: Private water source located off of County Road #4 in Section 23 T12N R92W.
- B. Supply: Private pond or well.
- C. Transportation: Truck.
- D. Water wells to be drilled: None

**6. Source of Construction Materials:**

All construction materials will come from the location except for the gravel for the tank bases and surface equipment, which will come from a commercial quarry.

**7. Methods of Handling Waste Disposal:**

- A. Cuttings and drilling fluids: Cuttings will be placed in an unlined reserve pit. The reserve pit will be stepped down from the location level to assure the pit is all in cut. Drilling fluids will be kept in the reserve pit. All cuttings will be pushed into the reserve pit and buried during the clean up operation. The drilling fluid will be allowed to dry in the reserve pit and buried during the clean up operation.
- B. Produced fluids: Tanks will be used for the storage of all produced liquids during testing and production. Oil will be retained in the tanks until it can be treated and sold. Water from testing operations will be drained into the reserve pit. Produced water will be stored in a tank or a steel/fiberglass pit on the location and then disposed in a commercial disposal facility. Gas will be flared during testing and sold to a pipeline during production.
- C. Sewage: Sewage will be contained in a portable latrine.

7. **Methods of Handling Waste Disposal:** (continued)

- D. Garbage: Garbage will be contained in a trash cage. This will be hauled to the nearest dump facility and disposed of upon completion of the well.
- E. Wellsite Clean Up: Upon completion of the drilling operation, all trash will be gathered up and placed in the trash cage. The pits will be fenced with a woven wire material on three sides during drilling. The fourth side will be fenced upon completion of the drilling operation. The pit will remain fenced until the pits have dried enough to backfill.

8. **Ancillary Facilities:**

A fifty foot (50') Right of Way is requested for a buried flowline originating at the wellsite and terminating at the tie in point on the existing Questar pipeline as shown on the attached survey plat. The proposed flowline will consist of a 3½" or 4½" steel line buried 36" deep. Maximum anticipated operating pressure is 700 psig. The pipe used will be API Grade B line pipe or better per API 5L. The line will be installed and operated per standard codes recommended by different engineering societies. The buried line will be coated pipe or will be doped and taped during installation if bare pipe is used. The right of way will be reseeded as per the specifications of the surface management agency.

9. **Wellsite Layout:**

Cuts and fills, location of pits and drilling equipment orientation are shown on the attached Wellsite Layout and Cut/Fill section. Material removed during reserve pit excavation will be stockpiled on the edge of the location.

10. **Plans for Restoration of the Surface:**

- A. Backfilling of the pits will be done as soon as they dry sufficiently. Contouring will be done in conjunction with the backfilling. Waste disposal will commence as soon as the drilling is complete. Topsoil will be stripped from the location when appropriate and stockpiled in the construction buffer for use during the rehabilitation of the location.

10. **Plans for Restoration of the Surface:** (continued)

- B. Revegetation will be done during the appropriate season. This will be conducted using BLM specified seed mixtures and planting times. All areas not necessary for production operations will be seeded.
- C. All drilling pits will be fenced until they are covered. Any oil accumulation will be removed or overhead flagging installed to protect waterfowl.
- D. Rehabilitation will commence when drilling is completed. Completion of rehabilitation depends on the weather and the time it takes the pits to dry.

11. **Other Information:**

- A. This location is situated on high prairie lands near the Colorado/Wyoming border. The vegetation is primarily natural grasses and sagebrush.
- B. Surface use and Ownership: Grazing / Recreation - Federal (BLM).
- C. Proximity of water, dwellings, etc.  
Nearest water - 750' West, Timberlake Creek.  
Nearest dwelling - Greater than 2 miles

12. **Lessee or Operators Field Representatives:**

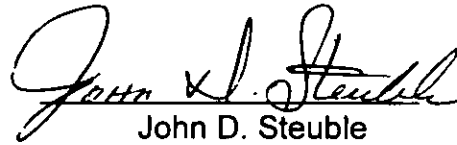
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13. Certification:

I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite; that I am familiar with the conditions which presently exist; that the statements in this plans are, to the best of my knowledge, true and correct; and that the work associated with the proposed operations herein will be performed by McElvain Oil & Gas Properties, Inc. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6-9-98  
Date

  
John D. Steuble