

**SURFACE USE AND OPERATIONS PLAN
FOR
TEXACO EXPLORATION AND
PRODUCTION, INC.**

DOW "B" 33 FEDERAL NO. 2
660 FNL & 2310 FWL SECTION 33,
TWP. 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

LOCATED: 6 miles Southeasterly of Loco Hills, New Mexico

FEDERAL LEASE NUMBER: LC 029420-B

LEASE ISSUED: April 30, 1938

ACRES IN LEASE: 720

RECORD LESSEE: TEXACO EXPLORATION AND PRODUCTION, Inc.

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE: Mr. Gary Caviness
Maljamar, NM.

POOL: Undesignated in the Morrow & Atoka Formations, and Shugart, North, in the Bone Spring Formation.

POOL RULES: Field Rules are for no wells to be located closer than 330' to any quarter-quarter section, to be 330' from the lease line for the 40 acre oil unit, and 660' from the side and 1980' to the end of the 320 acre gas proration unit and 330' from the nearest well.

EXHIBITS: A. Access Road and Facilities Map

B. Drilling Rig Layout Diagram

C. Well Location and Acreage Dedication Plat-320 Acre

D. Well Location and Acreage Dedication Plat-40 Acre