

SANTA FE SNYDER CORP.
MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Old Ranch Knoll "8" Fed #5
Section 8, T-22-S, R-24-E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this 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 by rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit E is a 15 minute topo map which shows the location of the proposed wellsite and roads in the vicinity. The proposed location is situated approximately 17 miles West of Carlsbad, New Mexico.

DIRECTIONS

1. From Carlsbad, go north 12 miles to intersection of Hwy. 285 and 137. Turn west onto Hwy 137, travel southwest for 13.2 miles and turn left on lease road for 1.6 miles to tank battery on right, turn left up hill for .5 mile, turn left (NW) 0.3 miles to location on the right.

2. PLANNED ACCESS ROAD.

- A. No new access road will be necessary.

3. LOCATION OF EXISTING WELLS.

- A. The well locations in the vicinity of the proposed well are shown on exhibits E & F.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. In the event the well is productive, the necessary production equipment will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the well with fresh water systems. The water will be hauled to the location by truck over existing roads. It will be obtained from commercial sources. We also plan to utilize produced water from offsetting wells to supplement our drilling water needs.