

**SURFACE USE AND OPERATIONS PLAN**

**BIRD CREEK RESOURCES, INC.  
BCR FEDERAL WELL NO. 2  
B - 3 - T23S - R28E  
EDDY COUNTY, NEW MEXICO**

**LEASE INFORMATION**

**FEDERAL LEASE NUMBER:** NM 16331

**LEASE ISSUED:** August 1, 1972. Lease is held by production.

**LEASE ACREAGE:** 280 acres, more or less

**LEASE DESCRIPTION:** All NE/4 of Section 3, T23S R28E  
N/2 of NW/4 of Section 3  
SE/NW/4 of Section 3

**RECORD LESSEE:** Union Oil of California, d/b/a UNOCAL

**SURFACE OWNERSHIP:** Federal

**POOLS:** Undesignated Delaware

**POOL RULES:** Statewide rules. Delaware oil has 40 acre spacing.

**LOCATION:** 4 miles NNE of village of Loving, New Mexico

**SURFACE LOCATION**

**STAKED FOOTAGES:** 660' FNL, 1650' FEL, Unit B  
Section 3 - T23S - R28E

**SURFACE OWNERSHIP:** Federal

**GRAZING PERMITTEE:** Henry Grandi, Carlsbad, New Mexico

**EXHIBITS** A. Road Map  
B. Well and Road Map  
C. Topography Map  
D. Drilling Rig Layout