

SURFACE USE AND OPERATIONS PLAN

GP II ENERGY, INC.
Orig. American Quasar Petroleum Co.
WHITE CITY UNIT FEDERAL "1"
660 FSL & 1980 FEL (O)
Sec. 1, T25S, R25E
Eddy County, New Mexico

LOCATED: 2.00 miles east-southeast of White City, New Mexico

FEDERAL LEASE NUMBER: NM-71560

DATE OF ISSUE: Lease issued February 1, 1988, for 10 years.
Lease is not currently productive.

LESSEE OF RECORD: Caroline B. Bunn

LEASE AREA: 640.4 Acres

SURFACE OWNERSHIP: Federal

POOL DESIGNATION: Wildcat (Delaware)

POOL RULES: Statewide - 40 Acre spacing for oil

EXHIBITS:

- A. Road Map
- B. Plat with existing wells and roads
- C. Topographic Plat
- D. Wellbore schematic