

SURFACE USE PLAN
TOCO, L.L.C.
MARY FEDERAL #2
2130' FSL & 660' FEL, SECTION 25, T23S, R33E
LEA COUNTY, NEW MEXICO
LEASE # NM25465

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. The proposed wellsite is approximately 25 miles northwest of Jal, New Mexico and can be reached by exiting from State Highway 128 approximately 20 miles from Jal and traveling 5 miles north, 1400' east and 284' north to the location as shown on Exhibit "E".
- B. Access and existing roads are shown on Exhibits "F". In addition Exhibit "G" also illustrates proximity access. Exhibit "G" an enlargement of BLM topographic quadrangle, Hat Mesa, New Mexico to a scale of 1:24000. Existing roads are also shown on Exhibit "H", a Vicinity Map at a scale of 1"=2 miles.

2. PLANNED ACCESS ROAD.

- A. TOCO, L.L.C. plans to construct and entry road approximately 284' long and 12' wide from an existing road as shown on Exhibit "E".

3. LOCATION OF EXISTING WELL.

- A. The proposed gas well is located in the vicinity of Antelope Ridge Field and existing wells in the area are shown on Exhibit "F".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are two shut in wells within the Mary Federal lease with a near future plan to P & A one and deepen the other.
- B. 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 haul water to the location by truck over existing roads. Water will be obtained from commercial sources.

6. SOURCES OF CONSTRUCTION MATERIAL.

- A. Caliche for maintaining the existing roads, construction of the new entry road and for surfacing the proposed wellsite pad will be obtained from existing open pits approved by the BLM.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.