

SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3

MR Drilling Company

Wills Federal No. 4
1650' FNL & 1650' FEL
Unit Letter G, SW/E/2
Section 34, T26S, R37E
Lea County, New Mexico

Located: 6.5 miles southeast of Jal, New Mexico

Federal Lease Number: NM-05017B

Lease Issued: N/A

Acres in Lease: 218 acres

Record Lessee: MR Drilling Company

Surface Ownership: Lineberry Ranches

Grazing Permittee: Lineberry Ranches

Pool: Wildcat (Queen)

Pool Rules: The 40 acre oil well spacing rules apply to this location, being 330' to the nearest side boundary or 1/4-1/4 section line, nor closer than 330' to the nearest well capable of producing from the same formation.

Exhibits:

- A. Road Map
- B. Existing Wells Map
- C. Well Location and Acreage Dedication Plat
- C-1. Topo Map
- D. Drilling Rig Layout Diagram
- E. BOP Equipment

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