

SURFACE AGREEMENT FOR NW 1/4 SEC. 14-7S-26E, CHAVES COUNTY, NEW MEXICO

Records show that the above-described tract of land is owned as follows:

Surface: Charles Wagner, P. O. Box 1123, Roswell N. M.
Minerals: U. S. Government
Oil & Gas Lease: Hanagan Petroleum Corp.
Designation of Operator: Stevens Operating Corp.

This is to advise that STEVENS has made an agreement with Mr. WAGNER for use of the existing access roads to the proposed drilling location and for construction and use of the proposed new road and wellsite along with associated pits. Upon abandonment, the pits will be filled and the location cleaned. No stipulations were made by Mr. Wagner requiring surface restoration of the road or well pad areas.

July 9, 1981



James A. Knauft, Agent
STEVENS OPERATING CORP.

EXHIBIT "E"
STEVENS OPERATING CORP.
WELL #1 HANAGAN FEDERAL
990' ENL & 1980' FEL SEC. 14-7S-26E