

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 22X
660' FSL & 1990' FEL, Sec.9-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-B
(Re-Entry)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Quad map showing the location of the proposed well and access road as staked, in relation to existing roads and U.S. Highway 82. The well is approximately 9 miles northeast of Loco Hills, New Mexico, with half the distance paved.
- B. Directions: Travel east of Loco Hills, New Mexico on U.S. Highway 82 for 3.5 miles to the paved county road No. 221. Turn north on Skelly Rd. (County #221) for approximately 1.3 miles, then turn northeast onto the gravel road at the fork for .7 mile. Then turn east for .6 mile. Then turn north for .5 mile. Then turn east for 1.6 miles. Then turn south for .8 mile and go to location. (See Exhibit "B".)

2. PLANNED ACCESS ROAD:

- A. Length and Width: None required. The existing access road enters location on the north side. (See Exhibit "B".)
- B. Construction: The existing roads will be graded and retopped with compacted caliche as needed.
- C. Turnouts: None required.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two miles radius are shown on Exhibit "C".

4. LOCATION OF EXISTING FACILITIES:

- A. There are production facilities on the lease at this time. See Exhibit "C".
- B. If the oil well proves to be commercial, the necessary production