

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
for
HANAGAN PETROLEUM CORPORATION
#1 Bet-Net
660' FNL and 1980' FWL
Section 25 - T24S - R31E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, in accordance with Onshore Oil and Gas Order #1 item 4.b1-b13. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operational plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of operations, so that a complete appraisal can be made of the environmental effect associated with the operation.

1. EXISTING ROADS:

Exhibit "A" is a portion of a USGS map showing the proposed well, existing wells within a one mile radius, existing roads, and the new access road. The proposed wellsite is located approx. 40 miles southeast of Loving, New Mexico. The existing access route to the location is indicated in yellow with the new access road indicated in red on exhibit "A".

DIRECTIONS: Exhibit B shows access to the drillsite from various directions. The primary route is as follows;

From Carlsbad, N.M. take Hwy 285 south to the junction of 285 with State Road 31 (approx 3.8 mi.). Go east on 31 approx 4.5 miles to the junction of 31 and State Road 128 (Jal Hwy). Go south on 128 approx. 19.5 miles and turn west/southwest on Buck Jackson Rd. (Eddy County 786). Go .4 miles, turn south and go 2.3 miles. Turn west through the cattlegaurd and follow the road approx. .9 miles to location.

2. ACCESS ROAD AND WELL PAD:

A. The access road will be approx. 2500' in length with new construction starting at the dry hole located in the SW/4SE/4 of section 24 as shown on Exhibit A.

The access road will be approx. 14 feet in width. Approximately 1200 feet of the new road will be located in section 24 which is also BLM acreage but is on a different lease, this lease