

SURFACE USE PLAN

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McClellan Oil Corporation Well No. ~~3~~ Barbara "A" Federal
990' FNL & 660' FWL Sec. 10, T16S, R29E
Eddy County, New Mexico
Federal Lease NM 10276

1. Existing Roads

Exhibit "A" is a portion of the Chaves County road map of the New Mexico State Highway Department, showing the proposed well site in relation to nearby highways and ranch-oil field roads. Federal Highway 82 will be used for 15 miles. This highway is maintained by the State of New Mexico. The oil field-ranch road will be used for 15½ miles. This road is constructed of caliche, is approximately 25' to 12' in width and is maintained in part by Eddy County and by ranchers and oil operators utilizing the road. All roads and highways to be used are marked in yellow and the proposed well site and nearby towns are marked in red.

2. Planned Access Road

Exhibit "B" shows the oil field roads that will be used. The new road to be constructed is marked in red and is approximately 330' in length. This road will be 12' wide and scraped, not caliched, as the ground is firm. No gates or cattleguards are in existence and none are planned. All existing fences will be left intact.

3. Location of Existing Wells

Exhibit "C" shows all of the producing wells within 2 miles of the proposed test with ownership of various tracts.

4. Location of Tank Battery, Production Facilities & Production Gathering & Service Lines

There are presently tank batteries and related gathering services located on the pad with the Barbara "A" Federal No. 1, 330' north of the proposed location. This is depicted on Exhibit "D", indicating all flow lines that lead to the existing battery as the proposed well is on the same 40 acre tract on which the gathering facilities are situated.

5. Location and Type of Water Supply

There is no useable water in this area. All water needed for drilling, testing, and completion will be trucked in by a commercial transport on existing roads as shown on Exhibit "A".

6. Source of Construction Materials

This will be a cable tool drilling operation and it does not appear that it will be necessary to construct roads or location with caliche topping. In the event that caliche is needed, it will be obtained from the pit to be used in the drilling operation as indicated on Exhibit "D".

7. Handling of Waste Disposal

All waste material remaining after the drilling of this well will be placed in mud pit as shown on Exhibit "D". Any combustible or biochemically degradable material will be placed in the "burn and trash pit".

8. Ancillary Facilities

No ancillary facilities are planned.

9. Well Site Layout

This information is shown on Exhibit "E". The pits will not be lined, as this is a cable tool operation and only cuttings will be dumped in the pit.

10. Plan for Restoration of Surface

All pits will be filled in and levelled. Dead men will be removed. The access road and location will be restored as near as possible to its natural state following instructions from appropriate governmental agency, if well is abandoned, otherwise the location will be cleared and maintained in an orderly manner.

11. Other Information

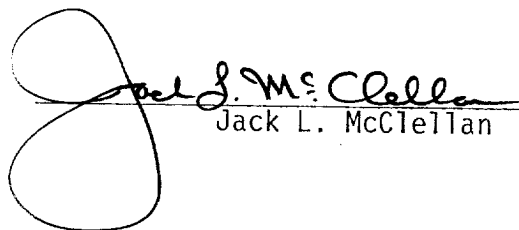
The well site is in an uninhabitated area and approximately 15 miles from any village or town. The area is in the midst of an old oil producing area. A topographic map, Exhibit "E", is attached, showing no unusual topography.

12. Operator Representatives

C. V. Miller	1106 Yates, Artesia, N. M. 88210 Mobile Unit 236 (Dial 746-4302)	746-3668
Cleo Brown	1808 Booker, Artesia, N. M. Mobile Unit 235 (Dial 746-4302)	748-2228
Jack L. McClellan	612 North Kansas, Roswell, N. M. 88201	622-3200 or 622-40

13. Certification

I certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by McClellan Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Jack L. McClellan