

SURFACE USE PLAN

FOR

RE-ENTERING, COMPLETION AND PRODUCING

MWJ PRODUCING COMPANY
WELL #2 RUTTER FEDERAL COM
1650' FSL & 2310' FWL SEC. 25-17S-27E
EDDY COUNTY, NEW MEXICO

LOCATED: 9½ air miles east of Artesia, New Mexico.

OIL & GAS LEASE: NM-15868 was issued 7-1-72 and is due to expire on 1-15-86 absent production.

RECORD LESSEE: Martin, Williams & Judson.

OPERATOR'S AUTHORITY: Designation of Operator from lessees.

BOND COVERAGE: Lessees' \$25,000 statewide bond.

ACRES IN LEASE: 320 acres.

SURFACE OWNERSHIP: U. S. Government with a grazing permit issued to Bogle Farms, Inc., P. O. Box 358, Dexter NM 88230

This well, which was originally designated as Holly Energy Inc's #1 Empire West Deep Fed Com Well, was drilled to a total depth of 9985' during the period 2-23-82 to 3-24-82. It was plugged and abandoned on 3-25-82.

Operator plans to re-enter the well to a depth of 1820' and attempt a gas well completion in the Queen formation, 1200-1225'. The 200' x 300' well pad and access road are still intact. Since the drill-out depth is within the 8 5/8" casing, only a small circulation pit will be needed and it will be constructed within the old pit areas. If the well is productive, production and storage facilities will be located on the well pad. No surface outside of the well pad and pit areas will be disturbed by the proposed re-entry operations. For archaeological and other surface data, see the original APD by Holly Energy Inc.