

Attached to Form 160-3
Mack Energy Corporation
Fir Federal #1
1770 FSL & 990 FWL
NW/4 SW/4, Sec 25 T17S R27E
Eddy County, NM

Proposed Access Road:

Exhibit #3 shows the 280' of new access road to be constructed and is illustrated in Red. The road will be constructed as follows:

- A. The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattle guard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit or reserve pit area.
- F. The proposed access road as shown in Exhibit #3 has been centerline flagged by John West Engineering, Hobbs, New Mexico.

2. Location of Existing Wells & Proposed flow lines for New Wells:

Exhibit #4 shows all existing wells within a one-mile radius of this well. As shown on this plat, there are numerous wells that produce from the Grayburg San Andres. The flow line will stay on the same location to the Battery.

3. Location of Existing and/or Proposed Facilities:

- A. Mack Energy Corporation does operate a production facility on this lease.
- B. If the well is productive, contemplated facilities will be as follows:
 - 1) Wolfcamp Completion: Will be sent to the Fir Federal tank battery located at the Fir Federal #1. The Facility is shown in Exhibit #5.
 - 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
 - 3) Any additional caliche for firewalls, etc. will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.