SURFACE USE PLAN

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SOUTHLAND ROYALTY COMPANY FEB 1 4 1330

DALE H PARKE "C" #1-X LC-029020 ASHED THORDSTORD 'S''N
CONTRA NEW WESTERV

990' FSL & 990' FEL, Sec. 15, T-17-S, R-30-E Eddy County, New Mexico

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

1. Existing Roads:

Exhibit "A" is a portion of county map showing the route of existing road off U.S. Hwy 82 to the proposed location: Directions from Village limits of Loco Hills go 1.5 miles east, turn north and go 1.00 miles. Turn west onto location road.

2. Planned Access Road:

The access road to proposed location will be 400' west from existing lease road, no gates or cattle guards are necessary (See Exhibit A).

3. Location of Existing Wells in Area:

See Exhibit "B"

4. Location of Proposed Facilities:

Proposed facility is located 1350' southeast of the proposed location. Flowline will follow new lease road and existing road to tie into flowline at Parke "C" #3. See Exhibit A.

5. Water for Drilling:

Water will be obtained from waterflood plant located as shown on Exhibit A.

6. Source of Construction Materials:

Caliche for surfacing access road and pad will be obtained from caliche pit located in SE/4 NE/4 & NE/4 SE/4 of Sec. 15, T-17-S, R-30-E. Plat and ACA clearance for this pit are enclosed.