4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

   A. There are production facilities on the lease at this time. See Exhibit "C".

   B. If the oil well proves to be commercial, the necessary production facilities will be installed on the drilling pad and flow lines will be installed along the proposed and existing access roads to the storage tanks.

5. LOCATION AND TYPE OF WATER SUPPLY:

   A. It is planned to drill the proposed well with fresh and brine water which will be obtained from commercial sources. The water will be transported over proposed and existing access roads.

6. SOURCES OF CONSTRUCTION MATERIALS:

   A. Caliche for surfacing access roads and the wellsite pad will be obtained from a Federal pit in the SESE of Section 5-T17S-R31E. The pit has been staked and cleared by the archaeologist. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access roads.

7. METHODS OF HANDLING WASTE DISPOSAL:

   A. Drill cuttings will be disposed of in the reserve pits.

   B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

   C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.

   D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the BLM for approval.

   E. Oil produced during operations will be stored in tanks until sold.

   F. Current laws and regulations pertaining to the disposal of human waste will be complied with.

   G. Trash, waste papers, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste materials will be contained to prevent

scattering by the wind.

H. All trash and debris will be buried or removed from the well-site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.

B. Mat Size: 140' x 210' plus reserve pits.

C. Cut & Fill: The area has 3 to 5 foot sand dunes and deflation basins to be leveled.

D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

A. Topography: The wellsite and access road are located in the Mescalero Pediment, north of Querecho Plains, to the east of the Nimenim Ridge, ca. 1.75 miles NW of Taylor Draw and 3.5 miles SW of the Mescalero Caprock, within an area draining generally southwest towards Cedar Lake Draw, ca. 5.2 miles SW. The well pad and eastern 1/2 of the access road R/W are within a slightly depressed drainage collection area, characterized by low coppice dunes, with relatively level to slightly sloping terrain between the coppice dunes. The western 1/2 of the access road is within undulating aeolian terrain, with

shallow deflation basins, to the north of a localized dune ridge system; a SW trending, incised drainageway is crossed by the access road R/W, towards the west end. Active dunes, barren of vegetation, occur immediately west of the west end of the access road R/W.

B. Soil: The topsoil at the wellsite is Kermit-Berino fine sands.

C. Flora and Fauna: The vegetative cover is one primarily of grassland environment and scrub-grass scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.

D. Ponds and Streams: None in the area.

E. Residences and Other Structures: There is a power line running south of the proposed wellsite.

F. Land Use: Cattle grazing.

G. Surface Ownership: The proposed wellsite and existing access road are on Federal surface and minerals.

H. Archaeological survey revealed the occurrence of 3 Isolated Manifestations, none of which appear significant past the level of field recording. The archaeological survey was conducted by Archaeological Survey Consultants, P.O. Box D, Roswell, NM 88202, and their report has been submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

John Gould, Jr.
Socorro Petroleum Company
P. O. Box 38
Loco Hills, New Mexico 88255
(505) 677-2360

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the 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 Socorro Petroleum Company and its contractors and subcontractors in conformity with this plan and their terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Gourley

Socorro Petroleum Company