

ENRON OIL & GAS COMPANY

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Cedar Lake 35 Federal Com., Well No. 1

1240' FNL & 1980' FEL

Section 35, T17S, R30E

Eddy County, New Mexico

1. EXISTING ROADS:

See attached Exhibit A

2. PLANNED ACCESS ROAD:

Length and Width: Initial new road required will measure 20 feet in width and will be approximately 100 feet in length. The center line of the proposed new road has been staked and flagged with stakes visible from any one to the next.

Surfacing Material: Six inches of caliche, water compacted and graded.

Minimum Grade: 3 percent.

Turnouts: None required.

Drainage Design: The new road will have a drop of 6 inches from the center line on each side.

Culverts: None required.

Cuts and fills: None required.

Gates and Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

Existing wells in the surrounding area include Oxy's Shugart located about 1/2 mile to the east in Section 36, Yates' Maddren located approximately 1/2 mile to the northwest in Section 26, Phillip Petroleum's McIntyre lease located about 1 mile to the west in Section 34, and Anadarko's Atalayo Fed located 1 mile to the southwest in Section 34. See attached copy of land map Exhibit B.

4. LOCATION OF EXISTING AND/OR FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted a production facility would be built at a later date in the immediate area of the drill-pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling will be purchased from commercial sources and transported to the well site over the roads as shown.