

- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, 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.
- F. The proposed access road as shown in Exhibit #3 has been centerline flagged by John West Engineering, Hobbs New Mexico.

3. Location of Existing Wells:

Exhibit #4 shows all existing wells within a one mile radius of this well. As shown on this plat there is numerous Grayburg Jackson well which are producing grayburg wells. A list of these wells is shown on the attachment to Exhibit #4.

4. Location of Existing and/or Proposed Facilities:

- A. Mack Energy Corporation operates one production facilities on this lease. It is as Follows:  
  
Mcintyre K Federal Tank Battery, Unit letter O (Grayburg Jackso
- B. If the well is productive, contemplated facilities will be as follows:
  - (1) Grayburg Jackson Completion: a 2" steel flowline will be laid along the approved road ROW as shown in Exhibit #3 to the McIntyre K Federal Tank Battery in Unit O. An additional 300 barrel steal oil tank and 6' x 20' heater treater will be installed to handle the additional production. The proposed facilities are shown in Exhibit #5A.
  - (2) The tank battery and facilities including all flowlines and piping will be installed according to API specifications.