1. EXISTING ACCESS ROADS

A. Exhibit "A" is an enlarged portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the junction of the proposed resource road with Eddy County Road No. 222, being 1.3 miles Southerly from its intersection with U.S Highway 82. Said intersection is approximately 46 miles Northwesterly of Hobbs, 4 miles Easterly of Loco Hills, and 32 miles Easterly of Artesia, New Mexico along the major established Public Road System.

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "A" as shown on Exhibit "A", a new 14 foot wide Resource Road will be constructed 2275 feet Easterly (State Land shown in Blue and Federal Land shown in Red on Exhibit "A") with access at the Southwest corner of the proposed well pad, as shown on Exhibits "A" and "B".

B. Surfacing Material: Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. Maximum Grade: An approximate grade of less than one percent will be encountered ascending from Point "A" to the proposed well pad.

D. Turnouts: Turnouts will be built as required.

E. Drainage Design: The new road will be crowned at the center to direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed as required.

F. Culverts: None required.

G. Cuts and Fills: A moderate amount of leveling will be required as the road crosses several intermediate size sand dunes to the proposed well pad.

H. Gates and Cattle Guards: A cattleguard will be required at Point "A". It will be set-back a sufficent distance East so as not to inhibit traffic on Eddy County Road 222.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well produces will be separated and stored before sale and/or transportation in a tank battery constructed on the proposed well pad as shown on Exhibit "B" or it may be trasported by a 2 or 2 1/2" steel flowline