MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Sec. ...

Mesa Petroleum Co Adams Federal #1 660' FSL & 2080 FWL Sec 31, T19S, R31E Eddy County, New Mexico (Development Well)

MAY 2 2 1978

U.S. GEOLOGICAL SURVEY ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331 C, Application for Permit to Drill, for the above well, in compliance with existing federal regulations (NTL-6).

1. Existing Roads

Existing roads in the vicinity of the proposed well are shown on Exhibit II. As depicted, the subject well may be reached as follows: travel west of Maljamar on U.S. Highway 82 for approximately 8.3 miles; turn south onto Highway 31 and travel approximately 16.4 miles in a south and westerly direction; again turn south onto a caliche road and proceed for approx 200 ft. The staked location will be approximately 150' east of the caliche roadway.

2. Planned Access Roads

The proposed location will just intersect with the above mentioned caliche roadway, therefore no new additional roadway will be built. The existing caliche roadway appears to be in good structural condition and improvements do not seem warranted unless its existing condition deteriorates.

3. Location of Existing Wells

Exhibit III illustrates all wells within a one mile radius.

4. Location of Existing and/or Proposed Facilities

- A. Existing There are no production facilities on this lease that are owned or controlled by the operator (Mesa).
- B. Proposed If the well is capable of commercial production, either oil or gas, the necessary separation equipment, etc. will be installed on the original drilling pad.

5. Location and Type of Water Supply

Both fresh and brine water will be utilized to drill the subject well. Water will be obtained from the most available commercial source as follows:

Brine - (1) Near airport at Carlsbad, New Mexico or (2) approximately 1 mile west, then south of intersection of highways 8 & 529 and U.S. Highways 62 and 180 (Arkansas junction).

Fresh - (1) Maljamar or (2) Loco Hills commercial source.