

1.) Both Southland and Superior have prospects for oil and gas recovery in the area but have not reached agreement as to the designation of operator for such prospective recovery. In any event, only one surface location is available.

2.) Southland or Superior contemplate directional drilling from the surface location in order to drain reserves in the S/E or E/2 of Section 13.

3.) The specific surface location shall be
feet from the south line and
feet from the east line of Section 13.

d.) Superior Location in
Section 24, Township 19 South, Range 29
East, N.M.P.M., Eddy County, New Mexico.

1.)

2.)

3.)