

SURFACE USE AND OPERATIONS PLAN

FOR

MARALO, INC.
WELL NO.1 FEDERAL 6
1980'FNL & 1980'FWL SEC.6, T.19 S., R.27 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 5 miles northeast of Lakewood, New Mexico.

FEDERAL LEASE NUMBER: NM-62998.

LEASE DATE: August 1, 1985. Lease expires July 31, 1990 absent production or diligent drilling operations in progress on such date.

RECORD LESSEE: Rio Pecos Corp.

ACRES IN LEASE: 118.52.

SURFACE OWNERSHIP: Federal (administered by Bureau of Reclamation).

POOL: Undesignated East Lake Morrow Gas.

POOL RULES: Statewide. 320 acre spacing for gas.

EXHIBITS:

- A. Road Map
- B. Plat Showing Existing Wells and Existing Roads
- C. Drilling Rig Layout
- D. Topo Plat