

SURFACE USE PLAN

MERIDIAN OIL INC.

Benson "3" Federal # 3
1650' FNL & 330' FEL
Sec. 3, T-19-S, R-30-E
Eddy County, New Mexico
NM-29228

This plan is submitted with Application to Drill on above described well. The minerals are federal and the surface is leased for grazing (See below for surface lessee). The purpose of this plan is to describe the location, proposed construction activities and operations plans, magnitude of necessary surface disturbance and procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made of the environmental effects associated with the operations.

1. Existing Roads:

Exhibit "A" is a portion of a USGS Topographic map showing the location of the proposed well as staked.

Directions to the well are as follows: From the junction of US 180 and Hwy. 360, 15 miles east of Carlsbad, go north 11.6 miles on Hwy. 360, thence northeast 1.9 miles on county road 251, thence east 1.5 miles on county road 250, thence south .6 miles to a point 1100' west of the NE corner of Section 3.

2. Planned Access Road:

a. An existing access road will be used.

3. Location of Existing Wells in Area:

See Exhibit "B"

4. Location of Proposed Facilities:

Location of proposed well site and tank battery is shown on Exhibit "C". The battery will be located on proposed well pad, no additional surface disturbance will be necessary.

5. Water Supply:

No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.