

5. Water Supply

Water will be trucked in.

6. Source of Construction Materials

Caliche from pit located SW/4 of SW/4, Sec. 17, T19S, R25E, Eddy County, New Mexico. See Exhibit "B".

7. Methods of Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "C" for locations of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to survey for appropriate approval.

8. Ancillary Facilities

None.

9. Wellsite Layout

See Exhibit "C". The reserve pit will be lined with plastic. The pad and pits are staked.

10. Plans for Restoration of Surface

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

11. Surface Ownership

Federal

12. Other Information

Clearance is recommended by the New Mexico Archaeological Services, Inc.

13. Operator's Representative and Certification

Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

Frank E. Patton
726 E. Michigan
Hobbs, New Mexico 88240
(505) 393-4141