Surface Use and Operation Plan, "DD" Fed. 25 #2, 9/18/90, Pg. 2

1. EXISTING ACCESS ROADS

A. Exhibit "A" in a portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the junction of the existing resource road with Eddy County Road No. 29, being 16 miles Southerly on U.S. Highway 285 from Artesia or 20 miles Northerly of Carlsbad, 6.1 miles Westerly on Eddy County Road No. 23, and 1.2 miles North and Northwesterly on Eddy County Road No. 23.

From Point "A" an existing Texaco Access Road (shown in Red on Exhibit "A") will be utilized Westerly, Northerly, and Westerly for 0.8 miles to Point "B" where access to the lease is acquired. An existing resource road (shown in Blue on Exhibit "A") will be used Westerly 0.38 miles, crossing a pasture fence at an existing cattleguard, to Point "C" at the Southeast corner of the proposed drill site pad as shown on Exhibit "B".

2. PLANNED RESOURCE ROAD

- A. Length and Width: None required.
- B. <u>Surfacing Material:</u> None required.
- C. Maximum Grade: None required.
- D. <u>Turnouts:</u> None required.
- E. Drainage Design: None required.
- F. <u>Culverts:</u> None required.
- G. Cuts and Fills: None required.

H. <u>Gates and Cattle Guards</u>: An existing cattleguard will be used as set by others at the fence crossing in the lease as shown on Exhibit "B"

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A" and "C".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well will produce will be transported by a 2 or 2 1/2" steel surface flowline (shown in Green on Exhibit "A") to the existing trunk flowline at the "DD" Federal No. 1 Well. The fluid will then be transported to the "DD" Federal 24 Battery as shown on Exhibit "A".

B. An electric line will be built to provide electrical power for producing this well from the existing electric line at the "DD" Federal 25 No. 1 Well. The route is in a Westerly direction to the proposed location as shown on Exhibit "A"