

SURFACE USE AND OPERATIONS PLAN
FOR
TEXACO EXPLORATION AND
PRODUCTION, INC.

DD FEDERAL "24" NO. 3
660 FSL & 1650 FEL, SECTION 24,
TWP. 19 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

LOCATED: 16 miles Southwesterly of Artesia, New Mexico

FEDERAL LEASE NUMBER: NM-56220

LEASE ISSUED: Lease is in a producing status

ACRES IN LEASE: 160

RECORD LESSEE: TEXACO EXPLORATION AND PRODUCTION, Inc.

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE: Mr. Harold Houghtling
P. O. Box 234
Artesia, New Mexico 88210
(505) 746-4435

POOL: Cisco-Canyon (Dagger Draw Upper Penn., North)

POOL RULES: Field Rules are for no wells to be located closer than 330' to any quarter-quarter section, and to be 660' from the lease line. This well will share allowable production with "DD" Federal 24 #1 and #2.

EXHIBITS: A. Access Road and Facilities Map

B. Drilling Rig Layout Diagram

C. Well Location and Acreage Dedication Plat