Surface Use Plan

Gruy Petroleum Management Co. North Shugart Federal No. 2 Unit Letter P Section 17 T18S - R31E Eddy County, NM

11 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands, and a few eroded areas. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on Federal owned surface. The surface is leased to Richardson Cattle Co. P.O. Box 487 Carlsbad, NM 88220. They will notified of our intention to drill prior to any activity. The land is used mainly for cattle ranching and oil and gas production.
- C. An Archaeological survey has been conducted of the location and proposed roads, then this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
- D. There are no known dwellings within 1 1/2 mile of this location.

12 OPERATORS REPRESENTATIVE:

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Gruy Petroleum Management Company P.O. Box 14097 Irving, TX 75014 Office Phone: (972) 443-6489 Zeno Farris

13 CERTIFICATION: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exit; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Gruy Petroleum Management Company contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME:	ZenoFanis
DATE:	10/13/00

TITLE: Manager, Operations Administration