

INEXCO OIL COMPANY
PLAN OF OPERATION - 4

- C. Plan for rehabilitation of disturbed areas no longer needed for operations after construction completed.

Restoration of the drill site and tank battery area will be re-shaped to conform with the topography. The top soil will be re-distributed at the proper time. The sites will be reseeded as per the recommended seed mixture.

5. Location and Type of Water Supply:

- A. Show location and type of water supply either on map or by written description.

The fresh water system will be used to drill, the water will be obtained from a commercial source.

- B. State method of transporting water, and show any roads or pipelines needed.

The water will be transported by tank truck to the drill site.

- C. If water well is to be drilled on lease, so state. (No APD for water well necessary, however, unless it will penetrate potential hydrocarbon horizons).

None

6. Source of Construction Materials:

- A. Show information either on map or by written description.

Caliche for the surfacing of the drill pad and rebuilt access road will be obtained from an existing caliche pit located on fee surface 2 1/4 miles north adjacent to main access road.

- B. Identify if from Federal or Indian Land:

None

- C. Describe where materials, such as sand, gravel, stone and soil material, are to be obtained and used.

NW¼ Sec. 36-T22S-R22E., Eddy County, New Mexico

- D. Show any needed access roads crossing Federal or Indian Lands under Item 2.

The entire 1 mile crossing Sections 11 & 12 are Federal Public Surface.