

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HANAGAN PETROLEUM CORPORATION
No.1 Union Federal
SWSE Sec.15-21S-25E
Eddy County, NM

NM 029128

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 10 miles northwest of Carlsbad, N.M.
- B. Directions: Go about 7.5 miles northwest from Carlsbad on Hwy. 285 to a pipeline road, now designated as County Road No. 407. Go southeast 1.5 miles to Gas Company of New Mexico Plant. Turn south on existing caliche road and go about 1.1 miles. Turn west and go about 1 mile on existing road to the recently completed Dinero No.2 Exxon well, located in the NWNE Sec.22-21S-25E. A new road will be constructed from this well pad to the proposed location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The access will require construction of about 1800' of new road on State land and about 800' of new road on Public land. The road surface will be about 16' wide.
- B. Surfacing Material: Access road and well pad will be surfaced with 6" of caliche to level the rocky terrain.
- C. Maximum Grade: Less than 6%
- D. Turnouts: None necessary
- E. Drainage Design: The access road will be constructed with a 6" crown to provide adequate drainage.