

TXO PRODUCTION CORP.
SURFACE USE PLAN

DATE: October 30, 1989
WELL: Yates Federal #10
LOCATION: 1880' FNL & 660' FEL
Section 18, T-20-S, R-29-E
Eddy County, New Mexico

1. EXISTING ROADS:

- A. Proposed well has been staked 1880' FNL and 660' FEL of Section 18, T-20-S, R-29-E.
- B. Route and distance from nearest town or locatable reference point to where well road leaves main road: From Carlsbad, New Mexico proceed from intersection of US 285 and US 180 & 62 NE on US 180 & 62 for 8.1 miles. Turn left onto County Road 243 and proceed N for 5.8 miles. Turn right on County Road 283 and proceed E for .9 mile. Turn left onto lease road and proceed N for .6 mile to well site. All roads used for access under the jurisdiction of the SMA shall be maintained in accordance with SMA standards.
- C. Access route to location is color coded: Refer to Exhibit 2 & 2A.

2. ACCESS ROAD TO BE CONSTRUCTED AND RECONSTRUCTED:

No new access road will be constructed, the proposed well location is immediately adjacent to an existing well #4 location.

3. LOCATION OF EXISTING WELLS:

Exhibit 3 is a 1-mile radius locating water, injection, disposal, producing, and drilling from the proposed location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

- A. Exhibit 4 is a drawing depicting all on well pad production facilities.
- B. Exhibit 5 is a drawing depicting remote off well pad production facilities and pipelines.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling mud make-up will be trucked to the location along the existing access road used for access to the proposed location.

6. CONSTRUCTION MATERIALS:

- A. The proposed location is on level ground so no additional materials for fill will be necessary. Top soil will be stocked piled for later use during rehabilitation of the disturbed areas.