

SURFACE USE AND OPERATIONS PLAN
FOR

COLLINS & WARE, INC.
SPIKE FEDERAL WELL NO. 1
1980' FEL & 1650' FNL SEC. 24, T.20 S., R.28 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 11 miles northeast of Carlsbad, NM

FEDERAL LEASE NUMBER: NM 541580

ACRES IN LEASE: 320

TERM: Five years

LESSEE: Collins & Ware, Inc.

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Frances Spears
3303 Prospect
Carlsbad, NM 88220 (505) 885-6606

POOL: Mohawk Bone Springs

POOL RULES: Statewide Rules - 40-acre spacing for oil

EXHIBITS: 2. Existing roads
2A. Planned access roads
3. One-Mile Radius Map showing lease boundary and wells
3A. Well Status
4. Drilling Rig Layout
5. Production Facilities Layout