

SURFACE USE AND OPERATIONS PLAN  
FOR  
COLLINS & WARE, INC.  
SHEEP DRAW FEDERAL WELL NO. 7  
660' FSL & 660' FWL, M, Sec. 28, T22S, R26E  
EDDY COUNTY NM

LOCATED: 3.9 miles SW of Carlsbad, NM.

FEDERAL LEASE NUMBER: NM-34247

ACRES IN LEASE: 360

TERM: HBP

LESSEE: Collins & Ware, Inc.

SURFACE OWNERSHIP: Federal

GRAZING PERMITEE: Bill Gillock  
159 Gillock Rd.  
Carlsbad, NM 88220

POOL: Happy Valley (Delaware)

POOL RULES: SWR: 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