SURFACE USE PLAN

Attachment to BLM Form 3160-3
ARCO Permian
Well: Hilltop Federal #2
Unit Letter - L
2130 FSL, 660 FWL
Section 1, T21S-R21E
Eddy County, New Mexico

1. Directions to location Existing Roads

From Carlsbad, New Mexico go North +/- 20 miles on Highway 285 to Eddy County Rd. 23 (Rock Daisy Rd.). Go West on Rock Daisy Rd. 19 miles to Armstrong Rd. Go South on Armstrong Rd. 6 miles. Turn left at ARCO lease sign. Go South 1.6 miles. Turn left and go East .3 miles. Turn right and go 0.5 miles SW to location. Exhibits "4" and "5" are the Vicinity Map and the Location Verification Map.

A. The proposed development wellsite is staked as shown on the certified location plat attached.

B. The existing roads will require improvement. Any existing sections of road that needs improvement or repair will be fixed to a condition equal to that of the good sections of the existing road. All roads will be maintained in a condition equal to that which existed prior to the start of the construction.

2. Planned Access Roads

A. Approximately 2600' of new access road will be required.

B. New access roads will have a 12' wide travel lane and be surfaced with 6" compacted caliche.

C. Turnouts: None

D. Culverts: If needed, across creeks cutting new or existing dirt road.

E. Cuts and fills: No major road cuts or fill will be necessary.

3. Location of Existing Wells

A. The existing wells within a one-mile radius of this location are shown on Exhibit "6".

4. Location of Existing or Proposed Facilities

A. Existing Facilities – No facilities are currently existing for this well.

B. New Facilities Proposed – If a successful Morrow producer is completed, surface facilities will consist of a separator, line heater and collection tanks for oil and water.

B. Any pits containing fluids will be fenced until they are filled. The NMOCD pit netting rules will be followed. The reserve pits will be reclaimed by deep burying the drill cuttings. The pit area will be leveled and contoured to conform to the surrounding area. A stockpile of topsoil from the location construction will be evenly distributed over the disturbed area. Re-vegetation procedures will comply with BLM standards.

C. Upon abandonment of the well, surface restoration will be in accordance with the surface owner requirements and will be accomplished as expediently as possible.

11. Surface Ownership

The surface for the wellsite locations is on BLM surface and minerals and Leased by Corrales Livestock Corp., Hope, New Mexico.

12. Additional Information

A. Topography: Hilly with canyons. Location is in a relatively flat area.

B. Vegetation includes mesquite, catclaw, creosote, broom snakeweed, various cacti, shin oak, sand sage, narrowleaf yucca, and mixed grasses.

C. The soil is stony and rocky with loamy soils over limestone.

D. Primary use of the land is livestock grazing and accessing producing wells.

E. There are no dwellings in the vicinity.

F. An archaeological block survey will be prepared; a copy of which will be sent to your office.

G. The selected dirt contractor will be furnished with an approved copy of the Surface Use Plan and any additional stipulations prior to beginning and work.

13. Operator's Representatives

J.E. Shields
Sierra Engineering as Agent for ARCO Permian
P.O. Box 1610
Midland, TX 79702
(915) 688/5674

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct. The work associated with the operations proposed herein will be performed by ARCO Permian and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

Johnny Shields
Drilling Coordinator

3/08/01
Date