THE EASTLAND OIL COMPANY
UNION - FEDERAL WELL NO. 1
1980' FSL and 660' FWL, Sec. 11, T22S R27E
Eddy County, New Mexico

SURFACE USE AND OPERATIONS PLAN

1. Existing roads: U.S.G.S. topographic map marked as Exhibit A shows existing roads with exit from the main highway. An unimproved road passes near the proposed location. This road will be graded to a 12-foot width for a distance of approximately 2,500 feet from the exit on Refinery Road to the location.

2. Planned access roads: No additional access roads will be needed. No fences will be crossed and no cattleguards will be used.

3. Location of existing wells: All wells within a one-mile radius of the proposed location are marked on Exhibit A.

4. Location of tank batteries, production facilities, and production, gathering, and service lines: There are no tank batteries or flow lines controlled by the operator within a one-mile radius of the proposed location. Exhibit B shows the proposed location and dimensions of the tank battery and flow lines. The tank battery will be fenced as a protection to livestock, and is so located as to centrally serve additional development on the lease. At the completion of drilling, pits will be filled and the surface restored to its original level.

5. Location and type of water supply: Water needed for drilling will be trucked from supply wells near Carlsbad. No water supply will be developed on the lease.

6. Source of construction materials: No construction materials will be needed except for material actually moved in making the location pad. This material will be used to refill pits and level location.

7. Methods for handling waste disposal: Waste material including cuttings garbage, and drilling fluids will be contained in pits at the location. Incendiary material will be burned on location and other items will be hauled away. After drying out, pits will be covered. Oil produced will be contained in test tanks and moved to tank battery upon completion.

8. Ancillary facilities: No camps or airstrips will be required.

9. Well site layout: Exhibit C