Page Three SURFACE USE PLAN

The proposed drill site is located in the Sotal Basin, a relatively 11. flat valley between the foothills of the Gaudalupe Mountains and Azotea Mesa. This is an arid region and vegetation is sparse, consisting of greasewood, mesquite, and native grasses. The soil is relatively heavy, rocky type.

The contemplated operations are on Federally owned surface, and the land is fenced with sheep wire. No livestock was noted, but it is assumed the land is leased for grazing. No wildlife was observed in the vicinity. Typical desert fauna should be expected to be present, however. There are no dwellings or other buildings in proximity of the site.

The closest drainage system is an intermittent stream approximately 3/4 mile southeast of the proposed well.

An archaeological investigation by Dr. J. Loring Haskell of the proposed disturbed area has been made and a copy of the report is attached hereto as Exhibit "H". The following errata in Dr. Haskell's report should be noted. The proposed access road will measure 12' x 745' and not 12' x 1320' and will not impact on the SW/4 SE/4 Sec. 20 as stated.

12. Lessee's representatives will be as follows:

Mr. Leroy Collins Field Foreman 905 West Avenue F Lovington, N.M. 88260 (505) 396-2613, Office (505) 396-5251, Home

Mr. Leland Franz Drilling Manager P. 0. Drawer 2960 Midland, TX 79702 (915) 682-6271, Office (915) 697-2829, Home

13. Certification:

I hereby certify that I have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Coquina Oil Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date 10/17/78 Jeland Many

Drilling Manager