SURFACE USE PLAN

FOR

DRILLING, COMPLETING AND PRODUCING

COQUINA OIL CORPORATION WELL #1 PURE GOLD "C" FEDERAL 660' FSL & 1980' FWL SEC. 17-23S-31E EDDY COUNTY, NEW MEXICO

LOCATED:	27 air miles east-southeast of Carlsbad, N. M.
FEDERAL LEASE NUMBER:	NM-45235
LEASE ISSUED:	8-1-81 for a primary term of 5 years.
RECORD LESSEE:	Coquina Oil Corporation
BOND COVERAGE:	Coquina's \$150,000 nation-wide bond.
ACRES IN LEASE:	480
SURFACE OWNERSHIP:	U. S. Government
GRAZING PERMITTEE:	J. C. Mills P. O. Drawer "G", Abernathy, Texas 79311
SPACING:	320-acre, Undesignated West Sand Dunes Morrow
EXHIBITS:	A. County Road Map B. Topographic Map C. Oil & Gas Map D. Sketch of Well Pad

ROAD LOG TO PROPOSED DRILLSITE

STARTING POINT is east-southeast of Carlsbad, New Mexico on State Highway NM-128 at Mile Post 12.73, which is 12.73 miles east of the intersection of NM-128 and NM-31. This point is 6.09 highway miles northwest of the Lea-Eddy County line.

- 0.00 New road will start at this point. Turn left (northeast) and proceed in a northeasterly direction for a distance of 0.06 mile to the southwest corner of the proposed well pad.
- 0.06 PROPOSED DRILLSITE (Well #1 Pure Gold "C" Federal).

THIRTEEN POINT PROGRAM

- 1. EXISTING ROADS: Existing roads, which lead to the proposed drillsite, are shown on Exhibits "A" & "C".
- 2. PROPOSED NEW ROAD: Proposed new access road will be 0.06 mile in length. Exhibit "C" shows proposed route which will originate at mileage-0.00 on the road log and will terminate at the southwest corner of the proposed drill pad. The center of the proposed new road has been staked and flagged.
 - A. Width: 16 feet with 24-foot R-O-W.
 - B. Surfacing Material: The new road will be surfaced with caliche.
 - C. Maximum Grade: Less than one percent.
 - D. Turnouts: None necessary with a 16-foot road.
 - E. Road Design: The new road which is in an area of deep sand will be constructed by blading and leveling a 20-24' roadway and surfacing the 16' driving area with 6-7" of caliche.
 - F. Culverts: None necessary.
 - G. <u>Gates</u>, <u>Cattleguards</u>: A cattleguard will be installed in the fence where the proposed new road will exit NM-128.

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