

SURFACE USE PLAN

Exxon Federal Com. #2
1400' FSL & 1650' FEL, Sec. 17,
24S, 26E, Eddy County, NM
Approx. 15-1/2 miles Southwest of Carlsbad

1. EXISTING ROADS

Refer to Exhibit "A" which shows all roads in the vicinity of the drill site. Go South on US 62/180 past the junction of Highway 396 about 2600'. A proposed road will go to the East approximately 1600' to drill site.

2. PLANNED ROADS

See Exhibit "A" which will show the planned road from US 62/180 East to location. The new road will be covered with compacted caliche. Attached is New Mexico State Highway Department permit No. 2-1385 for constructing driveway.

3. LOCATION OF EXISTING WELLS

The C & K Petroleum #1 Exxon Federal Com is a producing gas well approximately 2500' Northwest of the proposed location. Refer to Exhibit "B".

4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES

Production facilities for the C & K Petroleum #1 Exxon Federal Com are located near the well site in the north half of Section 17. If this well is productive a tank battery will be located at the new well. Exhibit "C" is attached showing these facilities.

5. WATER SUPPLY

Water will be hauled over existing roads from the nearest commercial source and a water well in Section 8.

6. CONSTRUCTION MATERIAL

Caliche will be obtained from an existing pit in the NE/4 SW/4 Section 16, which is on state land and trucked over existing roads to well site.