SURFACE USE PLAN
BELCO PETROLEUM CORPORATION

James Ranch Unit #14
1980' FWL & 100' FSL (SL)
Sec 6, T-23-S, R-31-E
Eddy County, NM
Lease: New Mexico 02887

The proposed wellsite is approximately 26 miles southeast of Carlsbad, New Mexico, and can be reached by exiting from State Highway 128 approximately 10.5 miles east of the junction of State Highways 31 and 128. Travel then less than one mile due North. (This is shown on Exhibit "A" and Exhibit "B" and Exhibit "C"). On lease, turn right on next lease road for ¼ mile. Turn right on the road to location.

1. EXISTING ROADS: Access and existing roads are shown on Exhibit "A". In addition, Exhibit "B" and "C" also illustrate proximity access. Exhibit "B" is the 1939 Nash Draw USGS topographic quadrangle to a scale of 1:62,500; Exhibit "C", scale 1" = 1000' is a detailed location map.

2. PROPOSED ROAD: Acess to the location pad will be from the existing ranch road leading to James Ranch 3. Turn right on next lease road, go past J.R. #4. Turn right on the road to the location. For details please see Exhibits "B" & "C".

   Cut and Fill: Anticipating very little compacted caliche and no cuts are expected.

   Culverts: None required.

   Cattleguards, Gates, Etc. None expected.

3. EXISTING WELLS: This proposed gas well is located within the existing Los Medanos Atoka and Morrow Pools, as shown on Exhibit "C".

4. PRODUCTION, GATHERING, TREATING & STORAGE FACILITIES:

   Tank Battery: Tank battery site, as shown on Exhibit "E", in the event of a successful well.

   Flow Lines: Proposed flow lines are shown on Exhibit "E".

5. WATER SUPPLY: Belco plans to acquire water from commercial services available to the area.

6. SOURCE OF CONSTRUCTION MATERIALS: Caliche for construction of the new entry road and for surfacing the proposed wellsite pad will be obtained from commercial services who will utilize existing open supplies in the area.

7. METHODS OF HANDLING WASTE DISPOSAL:

   Drill cuttings will be disposed of in the drilling pits.

   Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

   Any produced water will be collected in tanks & hauled away. Any oil produced during tests will be stored in test tanks until sold.

   Trash containers will be provided around the drilling rig during drilling and completion procedures. Trash, waste paper, garbage, and junk will be buried in a separate trash pit, as shown on Exhibit "E", and covered with a minimum of 27 inches of dirt.