

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Donell 3 Federal #1
Sec. 3, T22, R30E
Eddy County, New Mexico

1. EXISTING ROADS:

Exhibit A is a portion of a New Mexico Map showing the location of the proposed location. The location is approximately 23 miles east of Carlsbad, New Mexico. Leave Carlsbad going east on 62/180. Turn south on SR 31. Travel 7 miles and turn east at mile marker 15 onto Eddy 796. Just past the Smith ranch house and across a cattle guard, continue left onto an access road (you will see a stop sign at the intersection). At the dead end turn left. Past the Phillip's wells to a dry hole. Continue southwest through the Cabin Lake and on to the new location.

2. PLANNED ACCESS ROADS:

We plan to use the existing roads as far as possible. We propose to build approximately 1/2 mile of new road to reach the proposed location. The running surface will be 14' wide, with 6" compacted caliche

3. LOCATION OF EXISTING WELLS:

Exhibit B is a plat showing existing wells and their locations.

4. LOCATIONS OF TANK BATTERIES, ELECTRICAL LINE, ETC.:

In the event we drill a producing well all production equipment will be located at Unit G, Sec. 4, T22S, R30E. In the event power is needed at the location, we will use a 14.4/25 KV voltage unit & run a line as shown in Exhibit B.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be from commercial sources, either hauled or pipelined.