SURFACE USE PLAN APPLICATION FOR PERMIT TO DRILL STRATA PRODUCTION COMPANY NASH DRAW UNIT #11 WELL 498' FSL & 2000' FWL SECTION 12-23S-29E EDDY COUNTY, NEW MEXICO

Submitted with form 3160-3, Application For Permit to Drill, covering the above captioned well. The purpose of the plan is to describe the location, the proposed construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of said well so that an appraisal can be made of the environment affected by this well.

1. Existing Roads:

- A. The well site and elevation plat for the proposed well is attached. It was staked by Dan R. Reddy, Engineer, Carlsbad, New Mexico.
- B. All roads to the location are shown in Exhibit "B". The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the on-site inspection.
- C. Directions to location: From Loving, New Mexico, the well is located approximately 9 miles to the east off State Highway 128.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

Exhibit "B" shows approximately 900' of new access road to be constructed and is illustrated in yellow. The road will be constructed from the existing North South road as follows:

- A. The average grade will be less than 5%.
- B. No turnouts will be necessary.
- C. No culverts, cattleguards, gates, low-water crossings or fence cuts are necessary.