

Enron Oil & Gas Company
James Ranch Unit, Well No. 36
1880' FNL & 1860' FEL
Sec. 1, T23S, R30E
Eddy County, New Mexico

SURFACE USE AND OPERATIONS PLAN

1. Existing Roads:

Access to location will be made as shown on Exhibit #2 from an existing lease road running north and south through Sec 1.

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:

No new access road is required, since the pad straddles an extant caliche road.

No culverts, cattleguards, gates, low-water crossings, or fence cuts are necessary.

Surfacing material will consist of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. Location of Existing Wells:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

There are no existing production facilities. If production is encountered a temporary facility will be established on the drill pad, and if warranted a production facility would be built at a later date in the immediate area of the drill-pad location. (See attached Exhibit #4). If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.