

SURFACE USE AND OPERATIONS PLAN
FOR
COLLINS & WARE, INC.
QUAHADA RIDGE "31" FEDERAL WELL NO. 4
990' FSL & 330' FWL, M, Sec. 31, T22S, R29E
EDDY COUNTY NM

LOCATED: 11 miles SE of Carlsbad, NM.

FEDERAL LEASE NUMBER: NM-61349

ACRES IN LEASE: 320

TERM: HBP

LESSEE: Collins & Ware, Inc.

SURFACE OWNERSHIP: Federal

GRAZING PERMITEE: Henry Grandi
Box 898
Carlsbad, NM 88221 505-236-6401

POOL: Happy Valley (Delaware)

POOL RULES: SWR: 40 acre spacing for oil.

EXHIBITS: 2. Existing roads
2A. Planned access roads
3. One-Mile Radius Map showing lease boundary and wells
3A. Well Status
4. Drilling Rig Layout
5. Production Facilities Layout