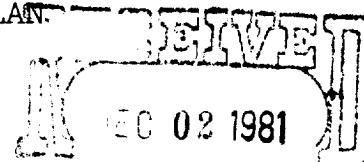


CURTIS HANKAMER
HANSON FEDERAL #1-B
744' FWL and 485' FSL
Section 12, T. 26S., R. 29E
EDDY COUNTY, NEW MEXICO



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

(Replacement Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibits "A" and "B" consist of two USGS topographic maps of the area on different scales, showing the location of the proposed wellsite, and roads in the vicinity. The proposed location is situated approximately 36 miles southeast of Carlsbad, New Mexico, via the access route shown in yellow. Access to this location is via existing roads.

DIRECTIONS:

1. Proceed south from Carlsbad for 26.5 miles.
2. Turn left (east) on El Paso Natural Gas Compressor Station Road and continue for 4 miles.
3. Take low water crossing to right (south) across Pecos River, follow main road approximately 5 miles to location.

2. PLANNED ACCESS ROAD.

- A. No new roads. Access will be by existing roads.

3. LOCATION OF EXISTING WELLS.

- A. The wells located in the vicinity of the proposed well are shown in Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. The well capable of producing oil on this lease had to be junked because of downhole conditions.
- B. In the event the well is productive, the production equipment currently in place will be used. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.