

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
for
HANAGAN PETROLEUM CORPORATION
#2 Heyco Federal
1980' FNL and 1650' FWL
Section 25 - T24S - R31E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, in accordance with Onshore Oil and Gas Order #1 item 4.b1-b13. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operational plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of operations, so that a complete appraisal can be made of the environmental effect associated with the operation.

1. EXISTING ROADS:

Exhibit "A" is a portion of a USGS map showing the proposed well, existing wells within a one mile radius, existing roads, and the new access road. The proposed wellsite is located approx. 40 miles south of Malaga, New Mexico. The existing access route to the location is indicated in yellow with the new access road indicated in red on exhibit "A".

DIRECTIONS: Exhibit B shows access to the drillsite from various directions. The primary route is as follows;

From Carlsbad, N.M. take Hwy 285 south to State Road 31. Go east on SR 31 approx. 4 miles to SR 128. Go south on 128 approx 19.5 miles to CR 786(AKA Buck Jackson Rd). Go southwest .4 miles, turn south and go 2.3 miles, turn west through cattlegaurd and follow road past #1 Bet-Net to location.

2. ACCESS ROAD AND WELL PAD:

- A. The access road will be approx. 1500' in length with new construction coming off of the existing road that goes to the #1 Bet-Net Fed well in the NE/4 NW/4 of Section 25. The access road will be approx. 12 feet in width.
- B. The access road will be surfaced with 4"caliche, watered, compacted and graded.
- C. No turnouts will be necessary and the route of the road is visible.