

County Road 725, 9 miles Southeasterly of its intersection with State Highway No. 285, which is approximately 9 miles South of Malaga, New Mexico. Point "A" is also approximately 0.50 miles North of Mile Corner No. 50 on the Texas-New Mexico State Line. From Point "A" go 1.7 miles Westerly along said existing resource road to Point "B" at a resource road intersection. Continue Northwesterly along resource road 0.20 miles, 0.20 miles Northerly, and 0.60 miles Northeasterly to Point "C" near the Southwest corner of the proposed well pad.

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "A" as shown on Exhibit "A" a new 14 foot wide Resource Road will be constructed approximately 60 feet Southeasterly (shown in Red on Exhibit "A") with access near the West corner of the proposed well pad, as shown on Exhibits "A" and "B"

B. Surfacing Material: Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. Maximum Grade: An approximate grade of approximately one to two percent will be encountered descending to the proposed well pad.

D. Turnouts: Turnouts will not be required.

E. Drainage Design: The new road will be crowned at the center to direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed as required.

F. Culverts: Culverts will not be required.

G. Cuts and Fills: A slight amount of leveling will be required to the road and proposed well pad.

H. Gates and Cattle Guards: Gates and cattle guards will not be required .

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A & B".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well produces will be stored in the tank battery to be constructed on the proposed well site as shown on Exhibits "A ,B, and C".

B. No electric service is contemplated as this time.

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is not contemplated that a water well would be drilled. Water necessary for drilling operations will be purchased and trucked to the well site or will be transported to the well site by a temporary pipeline laid on the ground along side existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Caliche needed for the well pad and road will be taken from the proposed borrow pit located within the 400 x 400' archaeologically cleared tract at the proposed well site (See Exhibit "B" for