

SURFACE USE PLAN

FOR

DRILLING, COMPLETING AND PRODUCING

FRED POOL DRILLING, INC.
Hanagan Federal NO. 1
NW/SE, Sec. 31, T19S, R30E
EDDY COUNTY, NEW MEXICO

LOCATED: 17 miles Northeast of Carlsbad, New Mexico

OIL AND GAS LEASE: NM 62211

RECORD LESSEE: Betty Hanagan

OPERATOR'S AUTHORITY: Designation of operator from Lessee.

BOND COVERAGE: Fred Pool Drilling, Inc. Blanket Bond # AR 7138939.

ACRES IN LEASE: 200 acres.

SURFACE OWNER: U.S. Government with a grazing permit issued to
Snyder Rances, Box 2158, Hobbs, N.M. 88241.

WELL SPACING: 40-acres, (Pakrway Bone Spring)

EXHIBITS:
A. Country Road map
B. Oil and Gas Map
C. Sketch of well Pad