MULTI-POINT SURFACE USE PLAN

NAME OF WELL: JAMES RANCH UNIT #16

LEGAL DESCRIPTION - SURFACE: 660' FSL & 250' FWL, Section 8, T-23-S, R-31-E, Eddy County, New Mexico.

LEGAL DESCRIPTION - BHL: 660' FWL & 1980' FSL, Section 8, T-23-S, R-31-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

The proposed well site is on the same pad as the James Ranch Unit #15. The well will be drilled directionally to the proposed BHL from this pad. This pad will have to be expanded slightly.

- B) See Exhibit "B". The planned access route will be the same access route as the James Ranch Unit #15. The access route begins 26 miles southeast of Carlsbad, New Mexico on State Highway 128, 3/10 of a mile northwest of mile marker #12. Turn northeast onto a caliche road at this point and follow the road 4/10 of a mile to the location.
- C) Access Roads are Labeled on Exhibit "B".
- D) Existing Roads:

Access will be over existing roads only.

E) Existing Road Maintenance or Improvement Plan:

The existing roads will be improved and maintained to allow for the drilling, completion, and production of this well.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "B". No new access routes are planned for this well.

B) Width

Not applicable.

C) Maximum Grade

Not applicable.