

SURFACE USE AND OPERATIONS PLAN

BIRD CREEK RESOURCES, INC.
RML FEDERAL WELL NO. 2
N - 26 - T22S - R28E
EDDY COUNTY, NEW MEXICO

LEASE INFORMATION

FEDERAL LEASE NUMBER: NM 67979

LEASE ISSUED: April 1, 1987.

LEASE ACREAGE: 640 acres, more or less

LEASE DESCRIPTION: All Section 26, T22S R28E

RECORD LESSEE: Harvey E. Yates Company, Roswell, New Mexico

SURFACE OWNERSHIP: Federal

POOLS: Undesignated Delaware, Undesignated Bone Spring

POOL RULES: Statewide rules. Delaware oil has 40 acre
spacing, Bone Spring oil has 80 acre spacing

LOCATION: 10 miles SE of Carlsbad, New Mexico

SURFACE LOCATION

STAKED FOOTAGES: 330' FSL, 1650' FWL, Unit N
Section 26 - T22S - R28E

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Henry Grandi

EXHIBITS A. Road Map
 B. Topography Map
 C. Drilling Rig Layout