

Hanley Petroleum Inc.

Union 35 Federal Well #6
660' FSL & 660' FWL
Section 35, Township 22-S, Range 28-E
Eddy County, New Mexico

Multi-point Surface Use and Operations Plan (cont.)

4. Location of Proposed Facilities:

- A. Production facilities are located on the Union 35 Federal #1 pad. This well is located 1780' FNL & 660' FWL of Section 35.
- B. In the event of a producible well, these facilities may be modified to accomodate the additional production.
- C. A steel flowline will be laid along the proposed access road to Eddy County Road 605. After boring under the road the flowline will follow approved ROWs to the above mentioned production facilities. Permission for the road bore will be obtained from Eddy County.

5. Location and Type of Water Supply

- A. Fresh water and commercial brine will be furnished and trucked by contractor.
- B. If compatibility tests indicate it is necessary to use Delaware produced water to drill below the surface pipe. It will be secured from either the Ray Westall Santa Fe Federal Lease, located in Section 35 or if sufficient quantities of produced water are available from Hanley's producing Delaware wells. Both sources will be hauled by contractor.

6. Source of Construction Materials

- A. Material for surfacing road and pad will be the existing caliche on location.