



SURFACE USE PLAN

McClellan Oil Corporation: PZ Federal No. 2
660' FNL & 1980' FEL Section 7-T9S-R26E
Chaves County, New Mexico
Federal Lease NM-14924

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

1. Existing Roads

Exhibit "A" is a portion of the Chaves County road map of the New Mexico State Highway Department, showing the proposed well site in relation to nearby highways and ranch-oil field roads. U.S. Highway 70 will be used for 14 miles from Roswell to the ranch road. This highway is maintained by the State of New Mexico. The oil field-ranch road will be used for approximately 4 miles. This road is constructed of caliche, is approximately 12' to 15' in width and is maintained by the county, area ranchers and oil operators who utilize this road. All roads and highways to be used are marked in yellow and the proposed well site and nearby towns are marked in red.

2. Planned Access Road

Exhibit "B" shows the ranch and oil field roads. The new road to be constructed is marked in red and is approximately 1650' in length. This new road will be approximately 12' wide.

3. Location of Existing Wells

Exhibit "C" shows all of the producing wells within 2 miles of the proposed test with ownership of various tracts.

4. Location of Tank Battery, Production Facilities & Production Gathering & Service Lines

If gas production is achieved, the location of the line will be determined by the purchaser laying the gathering system to his existing gas lines.

5. Location and Type of Water Supply

There is no useable water in this area. All water needed for drilling, testing, and completion will be trucked in by a commercial transport on existing roads as shown on Exhibit "A".

6. Source of Construction Materials

It may be necessary to use caliche on new road and location. This material will be obtained from commercial services.

7. Handling of Waste Disposal

All waste material remaining after the drilling of this well will be placed in mud pit as shown on Exhibit "D". Any combustible or biochemically degradable material will be placed in the "burn and trash pit".