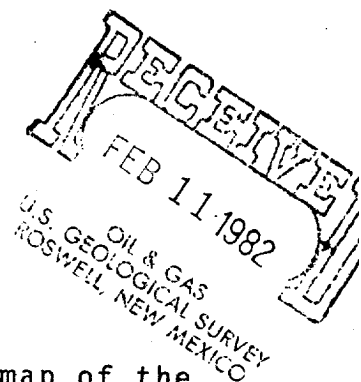


## SURFACE USE PLAN

McClellan Oil Corporation: Dana Federal #3  
1980' FNL & 1980' FEL Section 3, T9S, R25E  
Chaves County, New Mexico  
Federal Lease NM-28306



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 6.5 miles from Roswell to the access road. This highway is maintained by the State of New Mexico. The access road will be used for approximately 250'. This road is constructed of caliche and is approximately 12' in width. 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 oil field road. The new road to be constructed is marked in red and is approximately 300' in length. This new road will be approximately 12' wide. A cattleguard will be placed in the fence paralleling the highway and is state owned. Permission to install a cattleguard has been obtained from the State Highway Department.
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 in 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 will 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".