

MULTI POINT SURFACE USE AND OPERATIONS PLAN

MERIT ENERGY COMPANY
MM Federal Well No. 12
660' FNL & 660' FWL, Sec. 31-T9S-R26E
Chaves County, New Mexico
Lease No.: NM-0559993
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Roswell Quadrangle map showing the location of the proposed well as staked, in relation to existing roads and highway. The well site location is approximately 17 road miles east of Roswell, New Mexico. Traveling east from Roswell, there will be approximately 10 miles of paved U.S. Highway 380 and 7 miles of gravel ranch/oilfield roads.
- B. Directions: Travel East from Roswell, NM on U.S. Highway 380 for 10 miles to the Bottomless Lakes turnoff. Turn north toward the National Guard building on Chaves County road No. 61. Continue past the National Guard for a total of 6 miles from the highway to a "Y" in the road, .75 mile past the cattle guard east of the McCrea windmill. Turn right (northeast) at the "Y" and continue NE for .6 mile to the start of the proposed access road that is staked on the left side of the access road and will run northwest for 1100 feet to the southeast corner of the staked location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 1100 feet of new access road 12 feet wide (24' Max.), which is color coded red on Exhibit "B".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: One may be required at the midpoint, increasing the road to 20 feet for passing.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: None required.
- H. Existing Roads: To be maintained in as good or better condition.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

