

MULTI-POINT SURFACE USE & OPERATIONS PLAN

TEXLAND PETROLEUM - HOBBS, L.L.C
BOWERS "A" FEDERAL #41
LEA COUNTY, NEW MEXICO
LEASE NO. LC-032233

30-025-39750

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental affects associated with the operation.

A registered New Mexico land surveyor has staked the well and work area. Archeological Survey Consultants has been engaged to make an archaeological reconnaissance of the work area. Their findings concerning cultural resources will be reported to the Bureau of Land Management.

1. Existing Roads

A copy of a USGS "Humble City NW, NM" topographic map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system and proposed entrance road. See Exhibit "B".

Directions to location: From Hobbs, New Mexico at intersection of West Co Rd and Sanger St, go west on Caliche Lease rd 0.2 miles, turn right and go Northwest 0.05 miles, veer right at Oxy Injection well and go North 0.2 miles, turn left at "Y" and go Northwest 0.1 miles, veer right at fenced yard. Location is west 70' inside fenced area.

2. Planned Access Road

- A. No access road will be built.
- B. Surfacing material: Caliche
- C. Maximum Grade: no grade
- D. Turnouts: None
- E. Drainage Design: Edges of caliche location sloped
- F. Culverts: None
- G. Cuts and Fills: none
- H. Gates or cattle guards: No

3. Existing wells within a one mile radius of the proposed development well are shown on Exhibit "D".

4. Location of Existing and /or Proposed Facilities

- A. If the well is productive, production facilities will be tied into existing facilities. All permanent above ground facilities will be painted in accordance with BLM's

painting guidelines simulating the color of sandstone brown.

- B. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a supply in Hobbs and transported to the well site.

6. Source of Construction Materials

Caliche for surfacing the well pad will be obtained from onsite material.

7. Method of Handling Waste Disposal

- A. Drill cuttings will be disposed of in drilling pit.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored existing tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

- A. None needed.

9. Wellsite Layout

- A. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are show on the well site layout sketch. The V-door will be to the east and the pits to the north. **Exhibit "F"**.
- B. Leveling of the wellsite will be required with minimal cuts or fills anticipated.
- C. The reserve pit will be plastic lined.

- D. While constructing the pits and material is encountered at a depth which would not allow the pits to meet the BLM stipulations without blasting, Texland requests a variance. There will be an adequate amount of material to reclaim the stipulations.
- E. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

- A. After completion of drilling and/or completion operations, all equipment and other materials, not needed for operations, will be removed.
- B. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
- C. After abandonment of the well, surface restoration will be in accordance with the land owner. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership

The wellsite is on privately owned surface. The surface is owned by:
Mr. Gary Schubert, Grimes Land Company, LLC, P.O. Box 6056, Hobbs, NM 88240
Texland is currently discussing the terms of surface agreement with the surface owner.
Due to the private nature of the agreement, Texland requests that it not be part of the application.

12. Other Information

- A. Topography: The location is flat plain. GL elevation is 3646'
- B. Soil: Sandy clay loams
- C. Flora and Fauna: The vegetative cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is also sparse consisting of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: 57' to the northwest
- F. Archaeological, Historical and Cultural Sites: No cultural resources have been recorded in the area. Archeological Survey Consultants will be engaged to make an archaeological reconnaissance of the work area.

G. Land Use: open field

H. The well site, if a producer, will be maintained and kept clean of all trash and litter which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.

I. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with grass if, in the opinion of the land owner, it is required.

13. Operator's Representatives and Certification

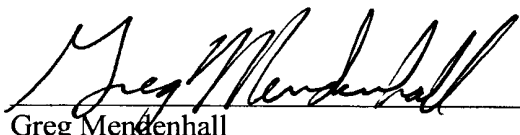
The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

Jerry Rogers
Drilling Superintendent
P.O. Box 1177
Levelland, Texas 79336
Office 806/894-4316
Cell 806/781-3396

Perry Van Zandt
Drilling Foreman
P.O. Box 1177
Levelland, Texas 79336
Office 432/596-4412
Cell 432/894-4464

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Texland Petroleum-Hobbs, LLC and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

____ February 28, 2008 ____
Date



Greg Mendenhall
Drilling and Production Manager
Texland Petroleum-Hobbs, LLC
817/336-2751

TEXLAND PET. HOBBS - LLC

EXHIBIT "D"

BOWERS A FEDERAL #41

LEASE # LC 032233, 30-18S-38E

HOBBS UNIT, LEA COUNTY, NM

February 27, 2008

CHEVRON/TEXACO

(NHU 412)

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TEXLAND

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MCCLURE

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MCCLURE

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Hobbs State

TEXLAND

CHEVRON/TEXACO

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McKinley

CHEVRON/TEXACO

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Bowers A Federal

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TEXLAND

(NH 412)

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Fowler

Bowers A Federal

State A 29

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APAC

State

OCCIDENTAL