HILLIARD OIL & GAS, INC.

906 Building of the Southwest, Midland, Texas 79701 · (915) 684-8271

May 2, 1974

United States Department of the Interior Geological Survey P. O. Box 1157 Hobbs, New Mexico 88240

Re: Development Plan for Surface Use Hilliard Oil & Gas, Inc. McElvain-Federal #1 (13,600' Wildcat) Lease Serial No. NM 0245247 Lea County, New Mexico

Gentlemen:

In compliance with your requirement that each application for permit to drill be accompanied by a Development Plan for Surface Use, we submit the following information regarding our plans for the subject well:

1. Existing roads, including location of the exit from the main highway:

See Plat No. 1 - All existing roads are indicated on this plat. The main access road is shaded in yellow. The exit from the main highway is off State Highway 529, $15\frac{1}{2}$ miles northwest of Arkansas Junction.

2. Planned access roads:

See Plat No. 1 and Plat No. 2 - The main access road that will be used is shown shaded in yellow on Plat No. 1. This road is presently in existance. On Plat No. 2, the existing road is indicated in yellow in approximate location. New road construction is indicated in red. The new road will be approximately 450' in length and 12' wide. The road will have to be surfaced with caliche.

3. Location of existing wells:

See Plat No. 1 and Plat No. 2 - All wells that we have knowledge of are shown on this plat.