

SURFACE USE AND OPERATIONS PLAN

1. Existing Roads:

The two proposed locations are approximately 8 miles southwest of Eunice, New Mexico, and can be reached by proceeding south from Eunice for 2 miles on State Highway "Loop 18". Turn west on black topped "Delaware Basin" road and travel approximately 7.2 miles. Immediately after crossing a cattleguard, turn south on lease road that parallels the east side of an old housing or "camp-site". Proceed southward 1 1/4 miles to a sign indicating the Sun "Della Boren" lease. Location for the CSO-Federal No. 1 is approximately 990 feet northwest of Sun's No. 3 Boren well and location for the CSO-Federal No. 2 is approximately 990 feet northwest of Sun's No. 4 Boren well.

The attached Exhibit "A" is a portion of the Oil Center U.S.G.S. Quadrangle. In addition to the proposed locations, all access roads in existence at the time of preparation of the Quadrangle are shown.

2. Planned Access Roads:

The access roads to the two proposed locations are shown by a blue color on Exhibit "B". Estimated length of each planned access road is 1100 feet with only about 330 feet of each being located on Federal lands.

It is planned to grade the road beds 12 feet wide and surface with caliche as noted at the Sun locations. The same procedure to be followed for the well site pads.

No new fence openings or cattleguards required.

3. Location of Existing Wells:

Refer to Exhibit "B".

4. Location of Tank Batteries, Production Facilities and Production Gathering and Service Lines:

This operator does not own or operate any of the above type facilities in the immediate area.

If a dry hole is encountered, the pad and road will be restored according to prescribed regulations.

If productive, a tank battery consisting of two tanks will be located on the southwest corner of the pad, separating equipment located due west of the well bore and connecting flow lines installed. A pump jack for lifting purposes to be set at the well bore. If both wells are productive, the above tank battery will be utilized common to both wells. A flow line connecting well No. 2 to the battery will be installed.

5. Location and Type of Water Supply:

All water, fresh and brine, to be used for drill purposes will be hauled by tank truck from the nearest commercial source.

6. Source of Construction Materials:

Caliche to be used for surfacing is available from several nearby sources including the fee lands in the northeast quarter of Section 20, existing quarries on State of New Mexico lands two miles northwest and west.

7. Methods of Handling Waste Disposal:

A disposal pit will be dug of adequate size and depth in order that all waste and garbage can be disposed and covered by not less than 24 inches of overburden after the wells are drilled.

Test tank facilities will be utilized to capture any produced oil or water recovered during any testing or completion procedures.

8. Ancillary Facilities:

No camps or landing strips are planned.