

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

GRACE PETROLEUM CORPORATION
NEW MEXICO FEDERAL "G" COMM. #1
660' FEL and 4650' FSL, Sec. 6, T-21-S, R-32-E
LEA COUNTY, NEW MEXICO
LEASE NEW MEXICO 15024

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, 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 can be made of the environmental effects associated with the operation.

1. EXISTING ROADS

- A. Exhibit "B" is a portion of a highway map showing the location of the proposed well as staked. 4.75 miles southeast of Halfway, New Mexico, and 34 miles northwest of Eunice, New Mexico on State Highway 176. A caliche road goes south from Highway 176 for 1.3 miles, right 0.8 mile to New Mexico Federal "B" #1, plus 2 miles, right 0.25 mile. Road will be extended 0.5 mile to the west to proposed wellsite.
- B. Exhibit "B" is a plat showing all existing roads within a one mile radius of the wellsite, and the planned access road.
- C. Entry and exit to the proposed location will be from State Highway 176 south past Pubco Federal Well No. 1, next right to New Mexico Federal "B" #1 plus 1.5 miles to New Mexico Federal "E" Comm. #1 and continue 0.5 mile, right 0.25 mile to New Mexico Federal "F" Comm. #1 on existing road, left 0.5 mile over new caliche road.

2. PLANNED ACCESS ROADS

- A. Length and Width: New road required will be 12 feet wide and 2640 feet long to connect to existing lease road to east. This new road is labeled and color coded red on Exhibit "B". The Center line of the proposed new road from the beginning to the wellsite, has been staked and flagged with the stakes being visible from any one to the next.
- B. Surfacing Material: Six inches of caliche, water, compacted, and graded.