1. **Existing Roads:**

a. Attachment A is a portion of a road map showing the location of the proposed well as it is staked. From the intersection of Highway 128 and Highway 18 in Jal, New Mexico, go north on Hwy 18 for 11.3 miles. Turn left (west) on County Road C-11. Follow the county road for 7.6 miles. Turn left (south) and follow road 0.7 miles to cattleguard. Turn right (west) through cattleguard and follow road west 0.9 miles. Turn left (south) and follow road 0.4 miles to location.

b. Attachment B is a plat showing existing roads in the vicinity of the well site. Existing roads are color coded.

c. We will be converting portions of unmaintained ranch road to caliche road as detailed below.

2. **Planned Access Road:**

a. Length and Width: Access road will require 9700' of new caliche road from County Road C-11 to well site. This road will be 12 feet wide. The road has been staked.

b. Surfacing Material: Will be material found in place. If that material is found to be inadequate, then six inches of caliche, watered, compacted and graded will be used.

c. Maximum Grade: None.

d. Turnouts: There will be one turnout approximately every 1/4 miles with a total of 7 turn outs.

e. Drainage Design: The new road will be crowned with drainage to both sides.

f. Culverts: None required.

g. Cuts and Fills: Does not apply.

h. Gates and Cattle Guards: A cattleguard will be set in place at the fence line dividing sections 18 and 19.

3. **Location of Existing Wells:**

a. Existing wells in the immediate area are shown on Attachment B.

4. Location of Existing and/or Proposed Facilities:

a. This lease is undeveloped at present and there are no existing production facilites on the lease.

b. If the proposed well is productive, the tank battery and flow line will be located on the well pad and no additional surface disturbance will be necessary.

5. Location and Type of Water Supply:

a. A water well will be attempted on the edge of the location. If unsuccessful, water will be trucked.

6. Source of Construction Materials:

a. It is planned to use material found in place for construction. If this material is inadequate, then caliche will be used. If caliche is used, it will be taken from a private pit approximately 8 miles SW of the location and moved to the existing well site over existing and proposed roads, as shown in Attachments B and D.

7. Methods of Handling Waste Disposal:

a. Drill cuttings will be disposed of in the drilling pits.

b. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

c. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in 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 trash trailers and disposed of offsite.

f. All trash and debris wil be buried or removed from the well site within 30 days after finishing drillling and/or completion operations.

Ancillary Facilities:

a. None required.

9. Well Site Layout:

a. Attachment C shows the relative location and dimensions of the well pad, mud pits, reserve pits, trash pit and the location of the major rig components.

b. Necessary cut and fill will be very minor. Clearing and levelling of the well will be required.

c. 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 material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

b. Any unguarded pits containing fluids will be fenced until they are filled.

c. After abandonment, all equipment, trash and junk will be removed and the well site cleaned. Any special rehabilitation and or special revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.

11. Other Information:

a. Topography: The land surface in the area consists of sand dunes which vary in size and slope.

b. Soil: Top soil at the well site is sand.

c. Flora and Fauna: The vegetive cover is sparse and consists of mesquite, shinnery oak, yucca, sand sage, weeds and range grasses. The wildlife in the area is that of semi-arid land and includes 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: There are no occupied dwellings or windmills within 2 miles of the drill site.

f. Archaeological, Historical and Cultural Sites: None observed in the area.

g. Land Use: Grazing and hunting in season.

h. Surface Ownership: Federal

12. Operator's Representative:

The representative responsible for assuring compliance with the approved Surface Use and Operations Plan is:

Kevin D. Sparks
Discovery Operating, Inc.
800 N. Marienfeld, Suite 100
Midland, TX 79701
Office Phone: (915)683-5203
Home Phone: (915)699-6948

13. Certification:

I hereby certify that I, or persons under my direct supervison have inspected the proposed drill site and access route; that I am familiar with the conditions that 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 Discovery Operating, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

12/9/07
Date

Kevin D. Sparks
Discovery Operating, Inc.