

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Myco Industries, Inc.

SHARBRO FEDERAL #2

1980' FNL & 660' FEL

S17-T23S-R32E NMPM

LEA COUNTY, NM

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 38 miles West and North of Jal, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS: Go SouthEast out of Carlsbad, New Mexico on Highway 285 to 31. Go east on 31 to 128 (Jal Hwy.) Go approximately 16 miles to Red Road (County Road 802). Turn north and go approximately 4.2 miles and turn right (East) on lease road and go approximately 1.7 miles on existing caliche lease road where the new access will start and go East 0.9-miles to the location.

2. PLANNED ACCESS ROAD

- A. The proposed new access road will 4,967' in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a East direction as shown on exhibit A.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The New road will be bladed with drainage on one side. Two traffic turnouts will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. A right-of-way (Exhibit A) has been applied for an access road to the lease (4,967') coming due West into the location. This access road right-of-way will be used to bring in 3-phase electricity and a gas sales line (Exhibit A). Right-of-ways have been applied for the electric line and gas line using the access road right-of-way. Additionally, a right-of-way has been applied for the SWD line (7,144' due North). The location access road and right-of-ways for the SWD line, electric line and gas line have all been surveyed and the copies of the survey plats are attached with Exhibit A.