

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Dallas McCasland

Federal "F" No. 5

Federal Lease NM-029050, 660' FSL & 660' FEL of Section 29, T26S, R37E, Lea
County, New Mexico

1. Existing Roads:

Exhibit "A" is a portion of a topographic map showing the existing lease roads that will be utilized and their junction with a county road 4.6 miles southwest of Jal, New Mexico.

2. Planned Access Road:

Length and Width: New road required will be 12 feet wide and 900 feet long. As shown on Exhibit "B" the proposed road will tie into the proposed and approved access road from the tank battery to the west portion of the lease.

Surfacing Material: Six inches of caliche, watered, compacted and graded.

Maximum Grade: One percent.

Turnouts: None required.

Drainage Design: None required.

Culverts: None required.

Cuts and Fills: None required.

Gates and Cattleguards: None required.

3. Location of Existing Wells:

Exhibit "C" is a portion of a Lea County ownership map showing all existing wells within a radius of 3 miles.

4. Location of Existing and/or Proposed Facilities:

Exhibit "B" shows the location of tank batteries, pipe lines, power lines, telephone lines and roads in Section 29. Proposed flow line is shown in red to tie into the existing tank battery to the north, a distance of approximately 1100 feet.

5. Location and Type of Water Supply:

All water required for drilling and road construction will be hauled from the McCasland-Sims water station in Eunice, New Mexico.

6. Source of Construction Materials:

Caliche for roads and location pad will be obtained from an existing pit located in Lots 2 and 3, Section 33, T26S, R37E, on Federal land.

7. Methods of Handling Waste Disposal:

Drill cuttings will be disposed of in the drilling pits.

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

Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until transferred to tank battery for sale.

Current laws and regulations pertaining to the disposal of human waste will be complied with.

Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "D".

All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.