

SURFACE USE AND OPERATIONS PLAN

RESERVE OIL, INC.

COOPER JAL UNIT, WELL #153

1. Existing Roads

Roads in the vicinity of the proposed Cooper Jal Unit, Well No. 153, are depicted on Attachment "A". The proposed wellsite will utilize an existing ranch and lease road for access. No alterations are planned on existing roads.

2. Planned Access Roads

No additional roads to be used. No gates, cattleguards or fences will be installed and no existing gates, cattleguards and fences will be replaced or cut.

3. Location of Existing Wells

Attachment "B" is a map of the entire Cooper Jal Unit indicating the Cooper Jal Unit, Well No. 153, drillsite and its relation to other wells within a one-mile radius.

4. Location of Existing and Proposed Facilities

Attachment "B" also shows the location of production facilities, flowlines, injection lines and a tank battery within a one-mile radius of the proposed well. All lines are buried. The only new facility associated with this new well is a proposed buried flowline which is indicated on the map.

5. Water Supply

Both fresh and brine water utilized to drill the subject well will be hauled to location by truck transport over the existing access lease road shown on Attachment "A". The source for fresh and brine water is from private land in Lea County, New Mexico.

6. Source of Construction Materials

The caliche to be used for the drillsite will probably be obtained from one of two caliche pits marked as Pit #1 and Pit #2 on Attachment "A". The pits are not on Federal or Indian land and the caliche from same will be hauled to the wellsite via an existing access road. Surface materials will be leveled for the drillsite.