SURFACE USE PLAN

FOR

DRILLING, COMPLETING AND PRODUCTION

MCDONNOLD OPERATING, INC.

Well #9 Jack A-29 2364' FNL, 1126' FEL, Sec. 29, T-24-S, R-37-E Lea County, New Mexico

LOCATED: 6.38 air miles Northeast of Jal, NM

FEDERAL LEASE NUMBER: NM-7486

LEASE ISSUED: 12/1/57

RECORD LESSEE: McDonnold Operating, Inc.

OPERATOR'S AUTHORITY: Lessee

BOND COVERGE: Statewide Bond

ACRES IN LEASE: 240

SURFACE OWNERSHIP: Woolworth Estate

SURFACE GRAZING LEASE: J. T. Crawford

Drawer T

Jal, NM 88252

WELL SPACING: 20 acre spacing

POOL: Langlie Mattix Seven Rivers Queen

Grayburg

EXHIBITS: A. Portion of Lea County Road Map

B. Topo Location Verification Map

C. Portion of U.S.G.S. Lease Map No. 80

D. Sketch of Well Layout

E. Surface Agreement

F. Sketch BOP