Surface Use & Operation Plan, Cotton Draw Unit #88, 5/8/00, Pg. 2

1. EXISTING ACCESS ROADS

A. Exhibit "A" is an enlarged portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the intersection of an existing resource road with Lea County Road No. 1. Said intersection is 6 miles South of its intersection with State Highway 128, which is 30 miles West of Jal, New Mexico and 32 miles East of Loving, New Mexico. Point "A" is 9.7 miles North of the Texas-New Mexico State line. From Point "A" go 0.9 miles West, then 0.1 miles North, then 1.15 miles West, then 0.8 miles North, then 1.0 miles West, crossing the Lea-Eddy County line, continuing for a total distance of 2.0 miles, then 0.8 miles North, 0.40 miles East, and 0.35 miles Southeasterly to Point "B", at the Southeast corner of the Existing well pad on Cotton Draw Unit No. 86 as shown on Exhibit "A".

2. PLANNED RESOURCE ROAD

A. Length and Width: From point "B" as shown on Exhibit "A", a new 14 foot wide resource road will be constructed approximately 2400 feet Easterly (Shown in Red on Exhibit "A") with access at the Southwest corner of the proposed well pad as shown on Exhibits "A" and "B".

B. <u>Surfacing Material:</u> Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. <u>Maximum Grade</u>: An approximate grade of less than one percent will be encountered descending from Point "B" to the proposed well pad.

D. <u>Turnouts:</u> Turnouts will be constructed as required.

E. <u>Drainage Design</u>: The new road will be crowned at the center ot direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed if required.

F. Culverts: None will be required.

G. <u>Cuts and Fills:</u> A slight amount of leveling will be required as the road crosses several small size sand dunes to the proposed well pad.

H. <u>Gates and Cattle Guards</u>: A new cattle guard will be required at the existing fence near the West boundary line of Section 7 which is also the County Line.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A".