

## SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3  
American Inland Resources Company, LLC.  
Sholes B-30 #3  
1806' FNL & 815' FWL  
SW/NW, Sec. 30, T25S, R37E  
Lea Co., NM

1. Existing Roads:

- A. The well site and elevation plat for the proposed well is shown as Exhibit #1. It was staked by Michael L. Stanford, Midland, TX.
- B. All roads to the location are shown as Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to location: From the intersection of Highway 18 and 128 in the city of Jal, NM: drive West on 128 for 1.6 miles to Wyoming Street. Turn left (South) on Wyoming and drive .5 mile to intersection. Continue left (East) on Wyoming for .3 mile. Turn right (South) onto lease road and proceed .5 mile to cattleguard. Cross cattleguard and proceed .1 mile on right fork, then take left fork .2 mile to location.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

It will be unnecessary to construct an access road since the proposed location is adjacent to the existing lease road.

3. Location of Existing Wells:

Exhibit #4 shows all existing wells within a one-mile radius of the proposed well. As shown on this plat, there are 11 Tansill-Yates-Seven Rivers gas wells, 23 Tansill-Yates-Seven Rivers oil wells, 3 Seven Rivers oil wells, 3 Seven Rivers-Queen gas well, 1 Ellenburger gas well, 2 Queen gas wells, and 4 drilled and abandoned wells. A list of these wells is shown on the attachment to Exhibit #4. There are no disposal, drilling, SI, injection or observation wells within a one-mile radius.

4. Location of Existing and/or Proposed Facilities:

No oil or water is anticipated. However, if oil and/or water is encountered, AIRCO will install the necessary tanks and treaters to handle the produced oil and water. AIRCO will tie into an existing gas pipeline with the Sholes B-30 #2.

If the well is productive, rehabilitation plans are as follows:

- (1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after the well is completed).
- (2) Caliche from the unused portions of the drill pad will be removed. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.