

DEVELOPMENT PLAN FOR SURFACE USE

Pennzoil Federal
Well #1
Eddy Co., N.M.

1. Existing Roads: New Mexico State Highway 180 & 62 and Blackriver Road #396.
2. Planned Access Road: N.M. Highway 180 & 62, $10\frac{1}{2}$ miles Southwest of Carlsbad, N.M. Exit onto Blackriver Road #396 two miles Southeast onto the proposed lease road.
3. Location of Well: 1980' FS and 1980' FW Lines, Section 15, T-24-S, R-26-E, Eddy County, New Mexico.
4. Lateral Road to Well location: Will exit Blackriver Road #396 onto a proposed 12' X 660' caliche road to well location.
5. Tank batteries and flowlines will be located at well site.
6. Water needed for drilling operations will be trucked in and stored in water supply tanks.
7. Waste disposal will be handled through maintaining a day-to-day housekeeping program with a detailed clean up immediately after the well is completed.
8. Produced brine water will be trucked to salt water disposal wells.
9. Inasmuch as our objective is gas, we do not anticipate casinghead gas production. However, in the event casinghead gas is found in commercial quantity, we will then make arrangements for a pipe line and marketing facilities.
10. Location layout plats attached.
11. Upon completion of well, location will be cleaned and leveled with bulldozer and grading equipment and restored to original state as near as feasible.