

DEVELOPMENT PLAN FOR SURFACE RESUME

Chace Oil Company #8 Rusty Navajo
Unit P 790' SL & 1190' EL Sec. 22
T22N-R7W Sandoval County, New Mexico

1. Location and vicinity map, San Juan Engineering Company Exit Hwy 44 at Lybrook.
2. 900' new road needed, see vicinity map.
3. Well site is approximately 2900' West of Rusty Navajo #3. in Unit K, Section 23, T22N-R7W.
4. Roads shown on vicinity plat and location plat.
5. In case of production (gas) well will be tied into a gathering line, but market has not been established. No tank batteries or separators are anticipated at this time.
6. Water to come from private source at Lybrook, N. M.
7. All trash and waste material will be placed in the mud pit and covered. No additional surface to be used, such as air strips or campsites.
8. None
9. None
10. Rig layout shown on plat attached.
11. The topography is rolling, covered with sagebrush, sand, broom snakeweed.
12. Drilling pad to be compacted.
13. After well completion, location to be restored to original condition less a few sagebrush, and sodded with required seeds.
14. Field representative to contact is Royce McCary, telephone 266-5562 at 313 Washington S.E., Albuquerque, New Mexico 87108.