3E COMPANY, INC.

Engineering • Energy • Exploration

P. O. Box 190 -:- 505/327-4020

FARMINGTON, NEW MEXICO 87401

July 20, 1977

U.S. Department of Interior Geological Survey P.O. Box 1809 Durango, CO 81301

Attention: Mr. Jerry Long

District Engineer

RE: Development Plan for Surface Use

Kirby Exploration Company

Navajo 26 #1

790' FNL & 790' FEL Sec 26, T22N, R7W

Rusty Chacra

Sandoval County, New Mexico

Gentlemen:

Attached is the "Application for Permit to Drill" (form #9-331C) for the subject well. Also enclosed are the following items: surveyor's plat, drill site plat, vicinity map and archaeologists report. Mr. Bob Moore of the Bureau of Land Management, Mr. Lee Freeman of the United States Geological Survey and Ms. Pat Zarnowski of the Agency of Conservation Archaeology have inspected the site.

The development plan for surface use is as follows:

Points 1, 3, 4, 6, & 9 Vicinity map and drill site plat attached.

- Point 2. Water bars will be used on all roads where necessary.
- Point 5. Water for drilling will be trucked from Escrito approximately 25 miles to the north.
- Point 7. A waste disposal pit will be provided for the garbage and trash.

 Location shown on drill site plat. Drilling fluids will be contained in reserve pit until such time as evaporation occurs and then pits will be covered.
- Point 8. No camps or airstrip.

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U. S. GEOLOGICAL SURVEY