3E COMPANY, INC.

Engineering • Energy • Exploration

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

FARMINGTON, NEW MEXICO 87401

November 14, 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

Beard Oil Company

Chacra #2

1160' FSL & 1600' FEL Sec 21, T22N, R7W Rusty Chacra Pool

Sandoval County, New Mexico

Gentlemen:

Attached is the "Application for Permit to Drill" (form#9-331C) for the subject well. Also attached is the surveyor's plat, drill site plat, and vicinity map.

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 Chapman's water hole, approximately 30 miles to the north.
- Point 7. A waste disposal pit will be provided for garbage and trash. Its location is shown on the drill site plat. Drilling fluids will be contained in the reserve pit until such time as evaporation occurs and then pits will be covered.
- Point 8. No camps or airstrip.