DEVELOPMENT PLAN FOR SURFACE USE

McIntyre No. 1-A

Consolidated Oil & Gas, Inc. - Operator

Jicarilla Apache Tribal Contract #101 NE/4 SW/4 Sec. 11, T26N, R4W, NMPM Rio Arriba County, New Mexico

1. Existing Roads

See enclosed topographic map (Exhibit 1) which shows existing improved and unimproved roads. The town of Lindrith is located approximately 31 miles southeast.

2. Planned Access Roads

See enclosed topographic map. Will use existing roads to the edge of the well site.

3. Location of Existing Wells

See enclosed topographic map

4. Location of Existing and/or Proposed Facilities

See enclosed topographic map showing location of wells and facilities operated by Consolidated Oil & Gas, Inc. If production is encountered, the tank battery and other required producing equipment will be located per attached completion plat. (Exhibit 2)

5. Location and Type of Water Supply

Water for drilling will be trucked approximately 3 miles from water hole in Tapacito Creek.

6. Source of Construction Materials

No additional construction material will be required.

7. Methods of Handling Waste Disposal

All waste material will be contained by earthen and steel pits. Earthen pits will be subsequently backfilled and buried. A portable chemical toilet will be furnished for drilling personnel.

8. Ancillary Facilities

No separate drill campsites are proposed.

9. Wellsite Layout

The drilling site location will be graded and will approximately 200×250 with natural drainage to the south. Care will be taken while grading to control erosion. A 5' cut will be required on the north side of the well-site. See attached drillsite layout. (Exhibit 3)

10. Plans for Restoration of Surface

- A. Following drilling and completion operations, all equipment and material not needed for operations will be removed. Pits containing fluid will be fenced until filled with any additional pits filled and the location cleaned of all trash and junk.
- B. After abandonment, any special rehabilitation and/or revegetation requirements (reseed with seed mixture No. 2) will be complied with and accomplished as expeditiously as possible. All pits should be filled and leveled within 90 days after abandonment.

11. Other Information

This location is adjacent to the north side of Tapacito Road at the foot of a sand rock bluff. The soil is sandy clay with sagebrush and native gramma vegetation. The surface is used for grazing. There are no occupied dwellings nearby. The surface is owned by the Jicarilla Apache Indians.

12. Operator's Representative

Consolidated Oil & Gas, Inc. Owen B. Whitenburg Senior Drilling Engineer Farmington, New Mexico 87401 Phone: (505) 325-7509 (Office) (505) 325-2213 (Home)

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Consolidated Oil & Gas, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

D. T. Stogner Jr.

Chief Drilling and Production Engineer