

DEVELOPMENT PLAN

WALTER DUNCAN OIL PROPERTIES

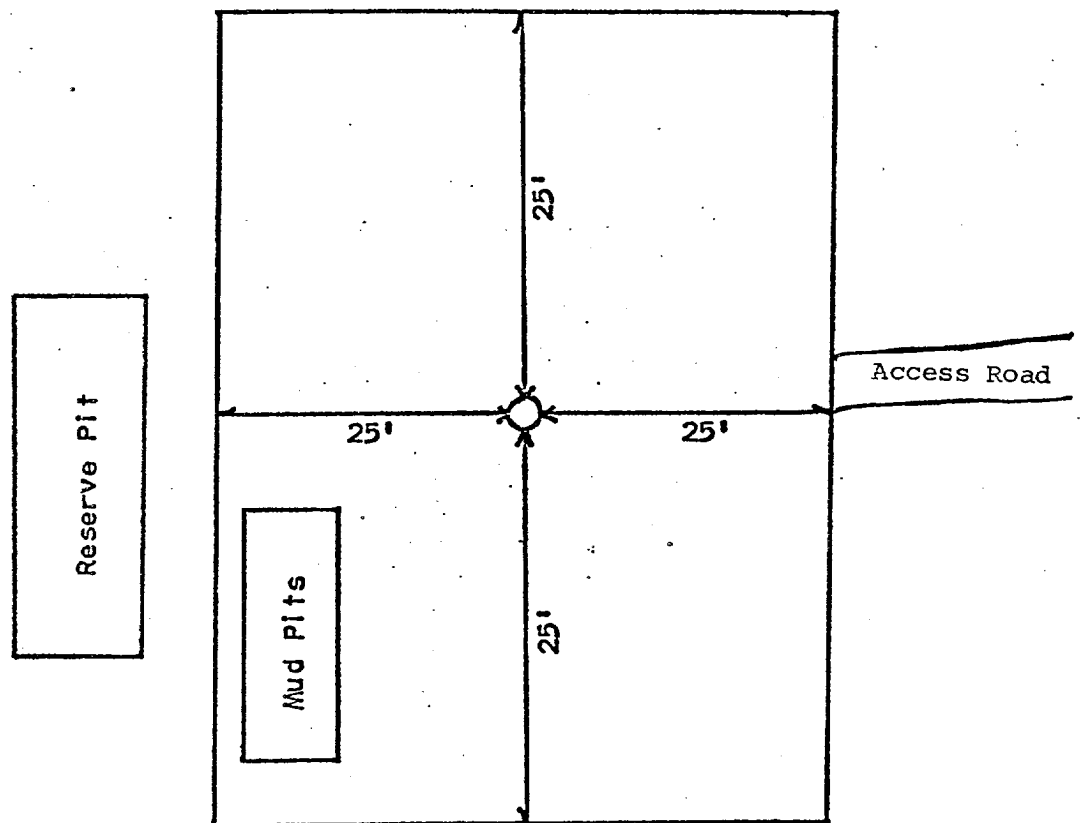
North Hogback 1-25

1. Existing roads are shown on attached plat.
2. Planned access from existing road approximately 500' to new location. Will leave natural grass and small vegetation on roadway. Will remove large brush or trees from road. Do not plan to make road grade or bar ditches. Will bottom-out any arroyo we cross and not install culverts.
3. Location of well: 2450' FNL - 1880' FWL
Sec 1, T29N, R17W
San Juan County, NM
4. One additional well(s) planned on this lease at this time.
5. Separator and flow line will be located within 50' of wellhead.
6. Water will be secured from the San Juan River
7. Waste materials will be buried on location or in reserve pit.
8. No permanent camp is planned; trailer house will be used on location while drilling.
9. Do not plan to build airstrip.
10. See attached plat for proposed location layout.
11. Pits will be filled, location cleaned up, and area not in use for producing well will be reseeded using broadcast method of planting.

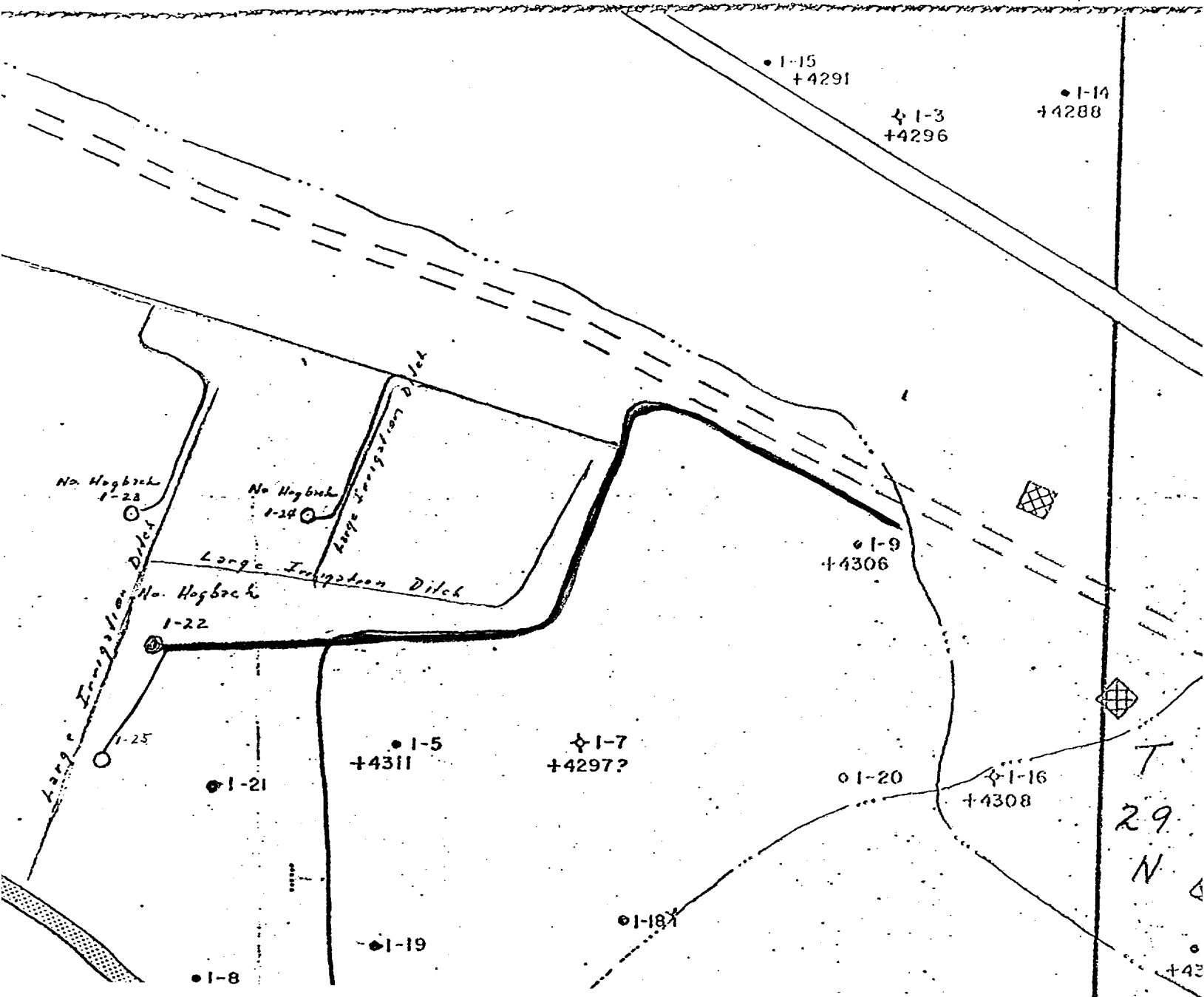
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