

TEAL PETROLEUM COMPANY
NO. 1 NEW MEXICO FEDERAL "A"
LEA COUNTY, NEW MEXICO

Development Plan for Surface Use

1. Existing Roads (See Exhibit "A")
2. Planned access roads (See Exhibit "B.")
3. Location of wells (See Exhibit "B")
4. Lateral roads to well location (See Exhibit "B")
5. Location of tank batteries and flowlines on drilling location.
6. Locations and types of water supply:

There is no adequate water supply in this area. Water will be trucked to location.
7. Methods for handling waste disposal:

All waste items which will not burn (junk metal, tin cans, rubber pipe protectors, etc.) will be collected and buried during clean-up operations after drilling has ceased. Waste items which will burn (mud sacks, lunch sacks, cartons, etc.) will be burned during drilling operations. Proper care will be taken to observe fire safety precautions when burning waste in order to prevent damage to vegetation.
8. Proposed disposition of produced brine:

It is not anticipated that brine will be produced; however, should brine be produced, it will be stored and trucked away.
9. Proposed disposition of casinghead gas:

It is not anticipated that casinghead gas will be produced; however, should this occur, marketing arrangements will be made.
10. Location layout:

See Exhibit "C"
11. Plans for restoration of the surface:

The area will be cleared of all junk and trash. Disposal of such wastes will be carried out as stated in item No. 7. Surface will be leveled and restored as nearly as possible to its original state through filling pits, etc.
12. Additional information essential to assessment of impact on the environment:

At this time, there is no additional information regarding the above. However, additional items may appear during operations.