DEVELOPMENT PLAN

Mesa Petroleum Co.
Huapache Federal No. 1
660' FSL and 2245' FEL
Sec. 30, T25S, R25E
Eddy Co., New Mexico

1. Attached plat depicts existing road network. Access road between existing road and location will be less than 100 yards. Drilling contractor will be McVay Drilling Company - Hobbs.

2. There are no producing wells within one mile of the proposed location.

3. Battery facilities will be located at the well site.

4. Water for drilling well will be obtained from nearest commercial source.

5. Earthen pits will be provided for containing drill cuttings and waste drilling fluids. Pits will be backfilled and leveled after sufficient drying. Trash and garbage will be contained in a separate earthen pit and burned as practical and later backfilled.

6. No camp or airstrip is planned.

7. Approximately 1 3/4 acres will be required for the rig and pit location. The terrain at the well location is rolling with sparse native grass and grease wood. Any top soil removed will be stockpiled for future use in restoring the disturbed area to original grade and contour. The disturbed area will be reseeded with appropriate grasses after completion.

8. Surface casing program: 13 3/8" O.D. 48# H-40 new casing will be set at approximately 300'. Cement will be circulated to the surface. A 12" API 2000 psi WP casinghead flange will be attached to the surface casing.

9. Intermediate casing program: 9 5/8" O.D. 36# K-55 new casing will be set at approximately 2600'. Cement will be brought back to the surface. A 12" - API 2000 psi WP flange (bottom) by 10" API 3000 psi WP flange (top) casinghead spool will be installed on 9 5/8" casing stub.

10. Production casing program: Dependent upon drill stem test results and anticipated production volumes, either 4 1/2" O.D. 11.6# K-55 and N-80 with 13.5# N-80 new (or 5 1/2" O.D. 17# K-55 and N-80) will be run to approximately 11,000'. If 5 1/2" casing is run, 2 7/8" tubing will be employed. Cement volume will be sufficient to cover all probable productive pay intervals. Approximately 550 sacks should bring cement to 7500 ±. A 10"-API 3000 psi WP flange (bottom) by 6" API 5000 psi WP flange (top) tubinghead spool will be installed over the production casing. The Christmas tree will be API 5000 psi WP.