

PETROLEUM DEVELOPMENT CORPORATION

San Luis-Federal #1
NW SE Section 21, T-18N, R-3W
Sandoval County, New Mexico

Lease #S.F. 081160F

TWELVE-POINT DEVELOPMENT PLAN

1. Existing roads including location of the exit from the main highway.
 - a. Shown on Exhibit I.
2. Planned access roads.
 - a. Shown on Exhibit I.
3. Location of existing wells.
 - a. Shown on Exhibit I.
4. Lateral roads to well location.
 - a. Shown on Exhibit I.
5. Location of tank batteries and flow lines.
 - a. Shown on Exhibit II.
6. Location and type of water supply (rivers, creeks, lakes, ponds, wells, etc.)
 - a. Johnson's Trading Post, surface ponds, approximately 6 miles northwest.
7. Methods for handling waste disposal.
 - a. All garbage, trash, etc. will be disposed in burn pit.
 - b. Drill cuttings will be disposed in reserve pit.
8. Location of camps
 - a. None
9. Location of airstrips.
 - a. None
10. Location of layout to include position of the rig, etc.
 - a. Shown on Exhibit III.
11. Plans for restoration of the surface.
 - a. Surface will be restored according to BLM instructions.
12. Any other information.
 - a. The general topography can be seen in Exhibit I. The local Flora consists of scrub pinon and juniper, which will require little cutting at the proposed location. Grasses are very sparse.