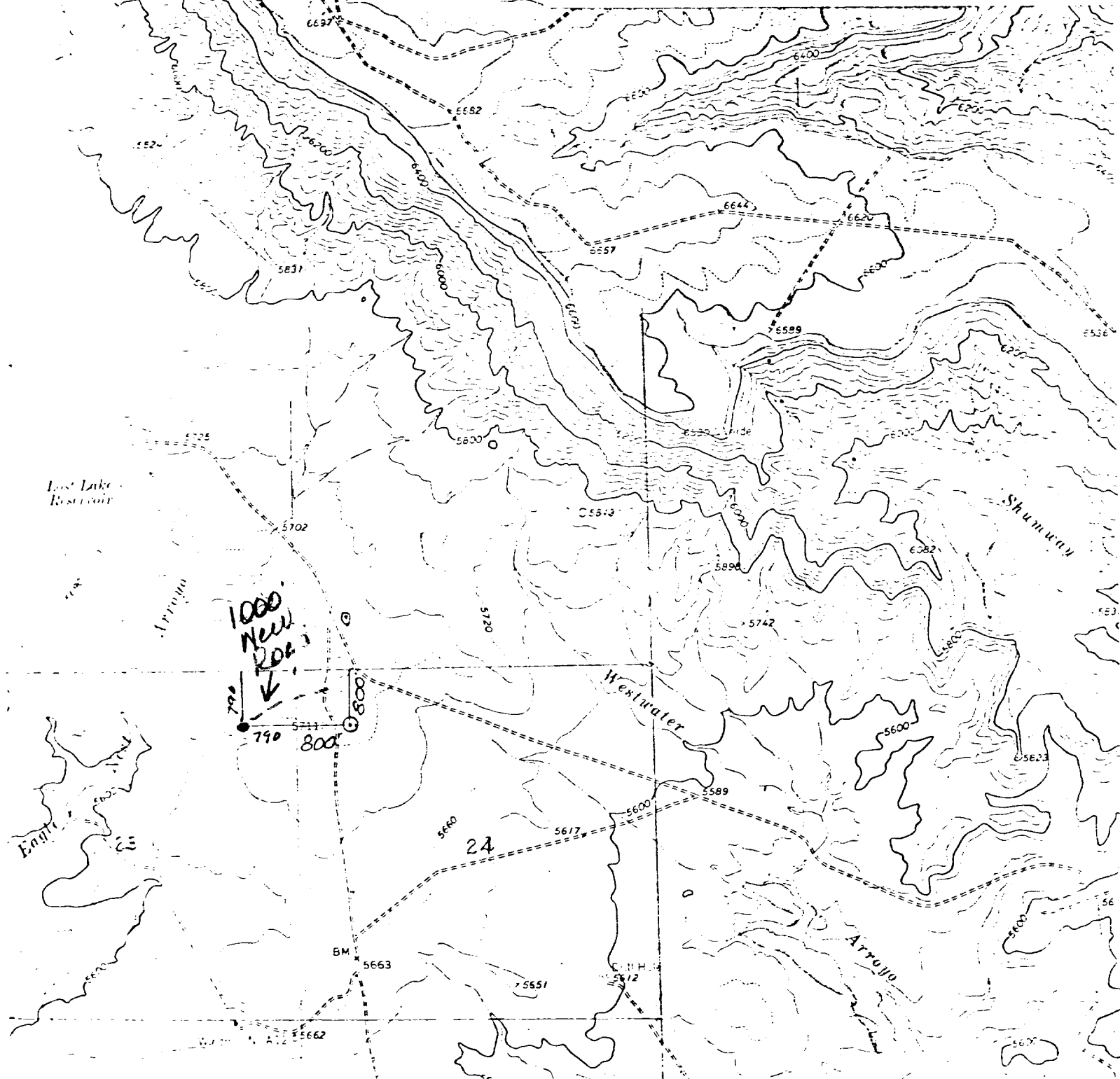


DEVELOPMENT PLAN FOR SURFACE RESUME

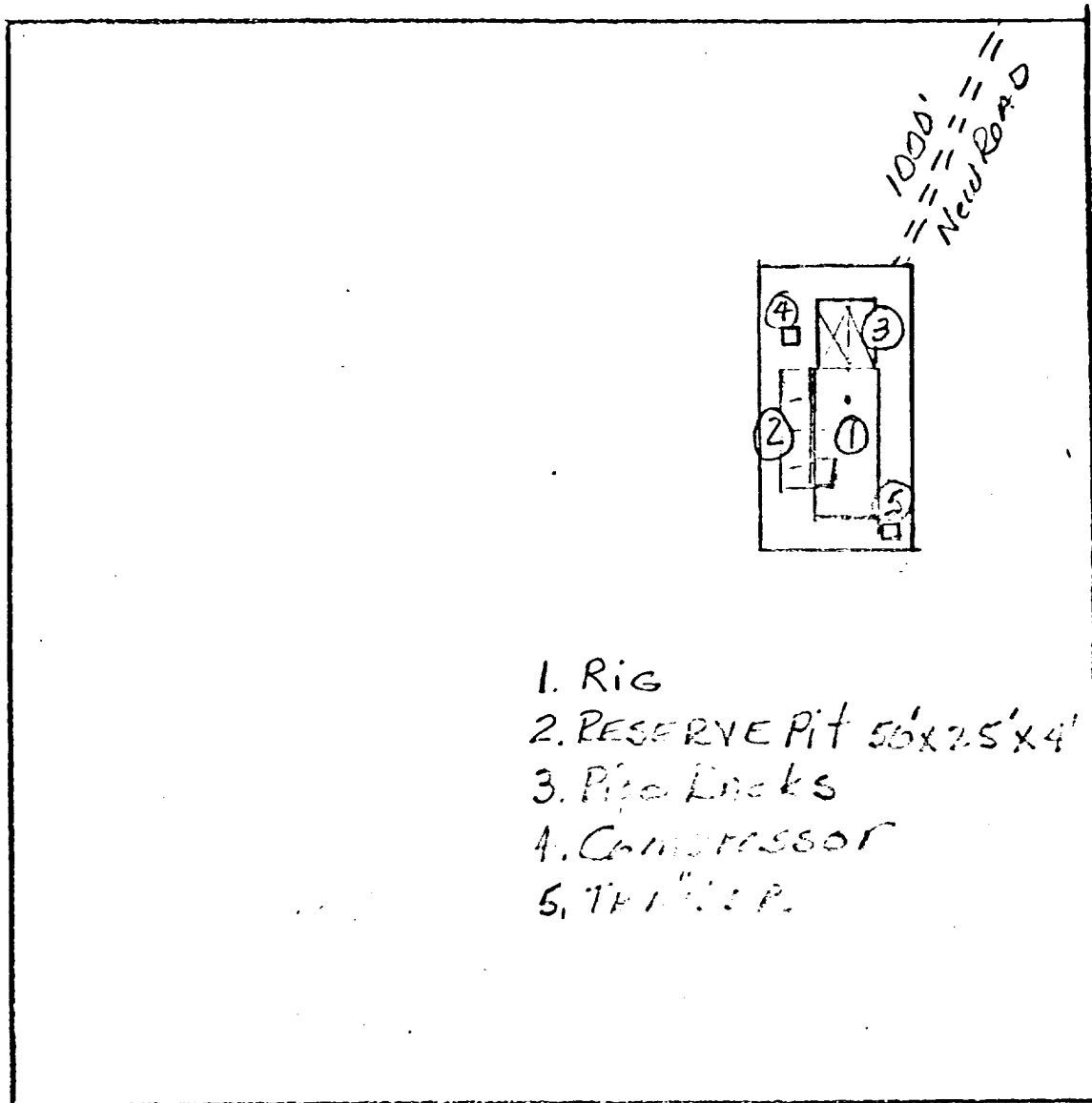
Chace Oil Company #2 Chace Ute
790' EL & 790' NL

1. Location and vicinity map, San Juan Engineering Company Exit Hwy. 550
2. 1000' new road - to follow old road in from existing road.
3. Well site is 3500' southeast of the Anderson Ute #3 in Unit "F", Section 14, T31N, R16W.
4. Road shown on vicinity plat and location plat.
5. In case of production (gas) well will be tied into a gathering line, but market has not been established. No tank batteries or separators are anticipated at this time.
6. Water to come from private source. Well to be drilled with air after 500' depth.
7. All trash and waste material will be placed in the mud pit and covered. No additional surface to be used, such as air strips or campsites.
8. None
9. None
10. Rig layout shown on township plat attached.
11. The topography is flat to rolling with deep arroyos. Area is covered with rabbit weed and sand.
12. Drilling pad to be compacted.
13. After well completion, location to be restored to meet Bureau of Land Management requirement.
14. Field representative to contact is Royce McCary - Telephone (505) 266-5562 at 313 Washington S.E., Albuquerque, NM 87108.

VICINITY MAP
CHAKE OIL COMPANY
choce Utc #2
T90E/N 790E/E
Sec 23, T31N, R16W
Scale: 1"=2000'



CHACE UTE NO. 2



1. Rig
2. RESERVE Pit 56'x25'x4'
3. Pipe Lacks
4. Compressor
5. Tank P.

UNIT "A" SEC. 23 T21N. R15E

SAN JUAN Co. NEW MEXICO

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 Chace Oil Company, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3-31-78
Date

Robert M. Cary
Name
President
Title