Southland Royalty Company

May 19, 1978

United States Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

Attention: Mr. P. T. McGrath

Dear Sir:

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 be performed by Southland Royalty Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: May 19, 1978 Name: [signature]

Title: District Engineer

Southland Royalty Company

May 19, 1978

United States Geological Survey
P. O. Box 959
Farmington, New Mexico 87410

Attention: Mr. P. T. McGrath

Dear Sir:

Enclosed please find a map showing existing roads and planned access roads to Southland Royalty Company's Primo Mudge #2 well. The locations of tank batteries and flow lines will be on location with well. A burn pit will be provided for disposal of trash. Cuttings, drilling fluid and produced fluids will be put into the reserve pit and properly disposed of depending on amount and type of fluids.

There will be no camps or air strips.

Also, enclosed is location layout showing approximate location of rig, pits and pipe racks.

Water supply will be Stacy's Ditch.

The location will be restored according to Bureau of Land Management standards. This work will begin when all related construction is finished.

Mr. Max Larson will be Southland Royalty Company's field representative supervising these operations.

Yours truly,

SOUTHLAND ROYALTY COMPANY

L. O. Van Ryan
District Production Manager

LOVR/dg

Southland Royalty Company

May 18, 1978

United States Geological Survey
P. O. Box 959
Farmington, New Mexico

Attention: Mr. P. T. McGrath

Re: Blowout Preventer Plan

Dear Sir:

All drilling and completion rigs will be equipped with 8" or larger double gate hydraulic blowout preventers and a hydraulic operated closing unit with steel lines.

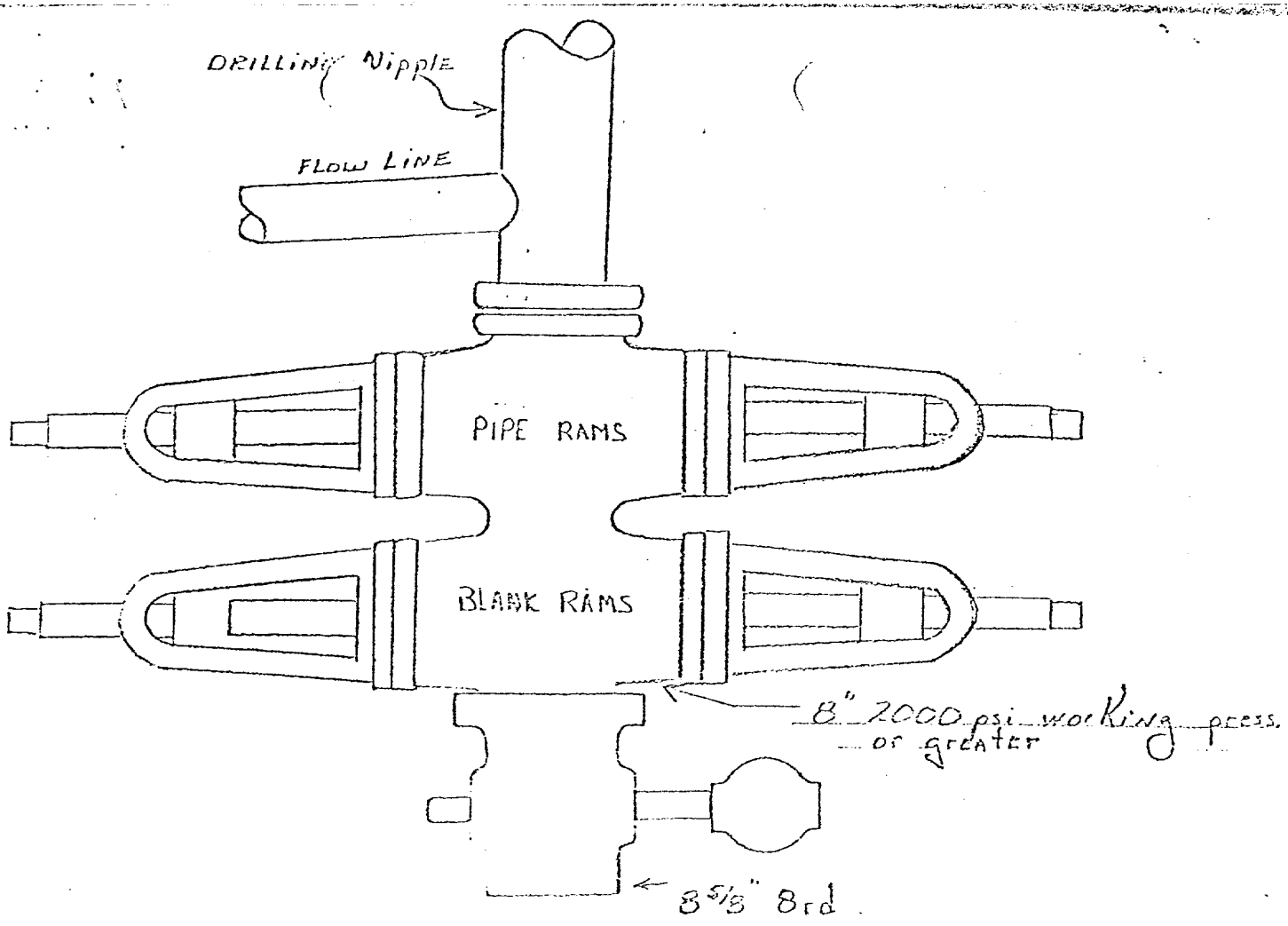
The preventer is 3000# working pressure and 6000# test.

All crews will be thoroughly trained in the operation of this preventer. The preventer will be tested frequently enough to insure proper operation.

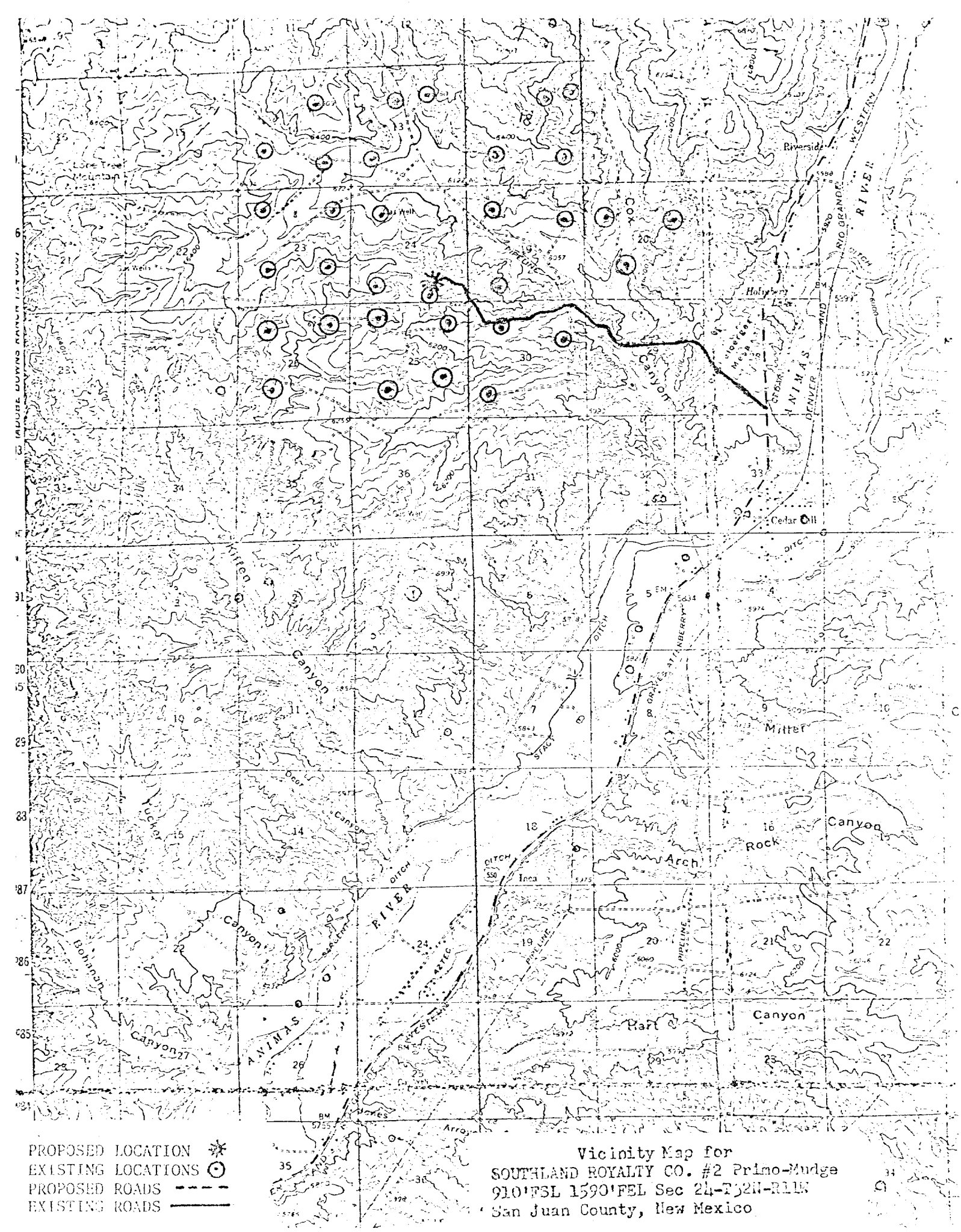
Yours truly,

L. O. Van Ryan
District Production Manager

LOVR/dg



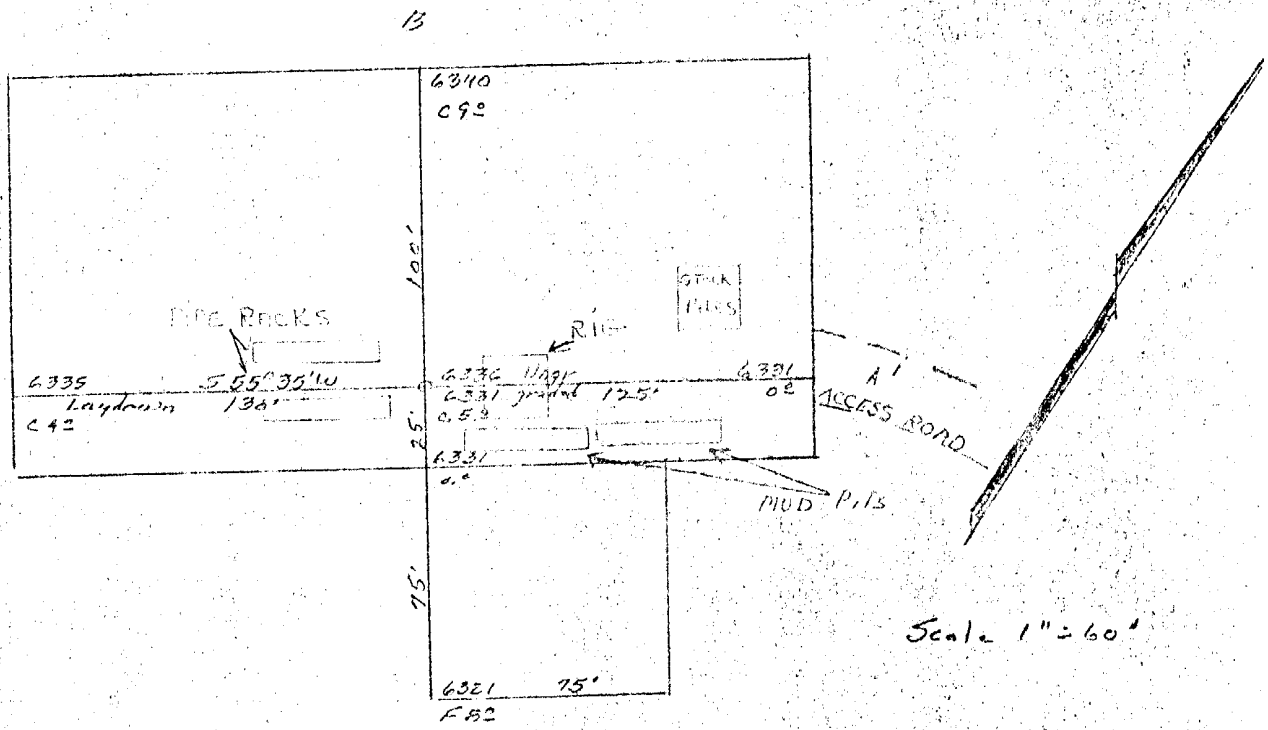

Preventers and spools are to have through bore of 8" - 2000# or larger.

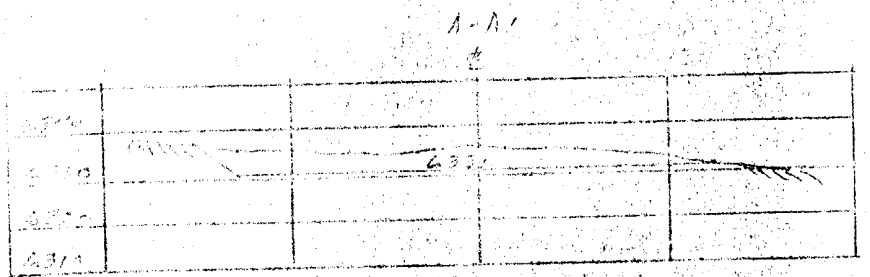


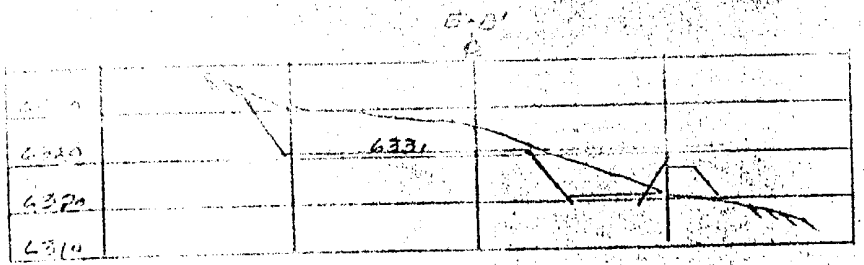

PROPOSED LOCATION ✳
EXISTING LOCATIONS ⊙
PROPOSED ROADS - - - -
EXISTING ROADS ——

Vicinity Map for
SOUTHLAND ROYALTY CO. #2 Primo-Mudge
910'FSL 1590'FEL Sec 24-T32N-R11W
San Juan County, New Mexico

Location Profile for
SOUTHLAND ROYALTY CO #2 Primo-Mudge
910'FSL 15[illegible]'FEL Sec 24-T32N-R11W
San Juan County, New Mexico




Scale Horiz 1" = 100'
Vert 1" = 40'

KERR LAND SURVEYING

April 7, 1978