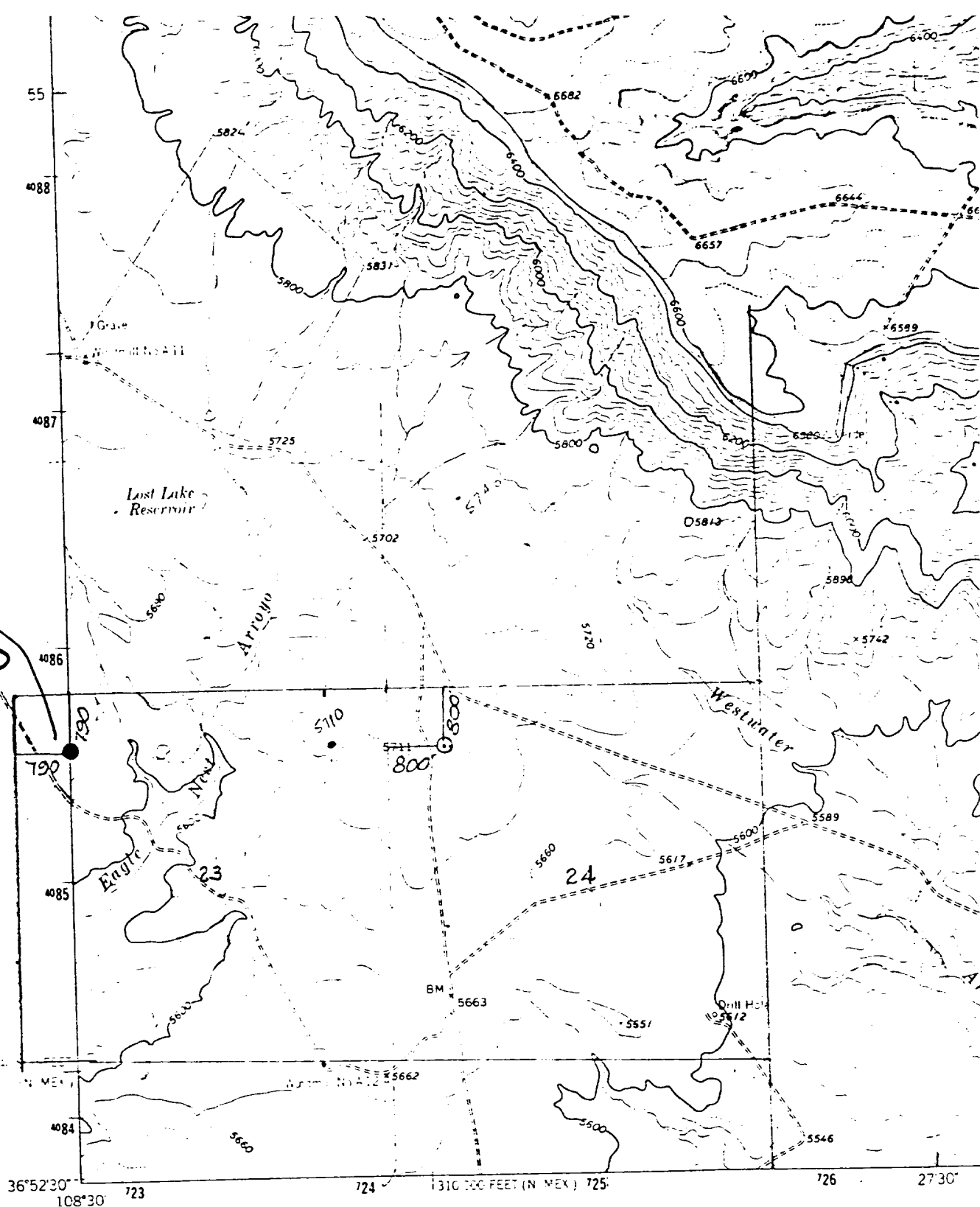


200'
NEW
ROAD



42571
CHINNEY ROCKY
1:62,500

Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

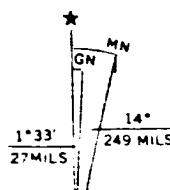
Topography by photogrammetric methods from aerial photographs taken 1958 and 1962. Field checked 1963

Polyconic projection. 1927 North American datum. 10,000 foot grids based on New Mexico coordinate system, south zone and on Colorado coordinate system, south zone. 1000 meter Universal Transverse Mercator grid ticks. Zone 12, shown in blue.

Finer dashed lines indicate utility and fence lines. Where shown, land lines have been established.

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VICINITY MAP

CHACE OIL COMPANY
Well Locations in Sec. 23 &
24, T31N, R18W, N.M.P.M.
San Juan County, N.M.

DEVELOPMENT PLAN FOR SURFACE RESUME

Chace Oil Company, Chace Ute #3
790' WL & 790' NL Unit "D", Section 23, T31N, R16W,
San Juan County, New Mexico

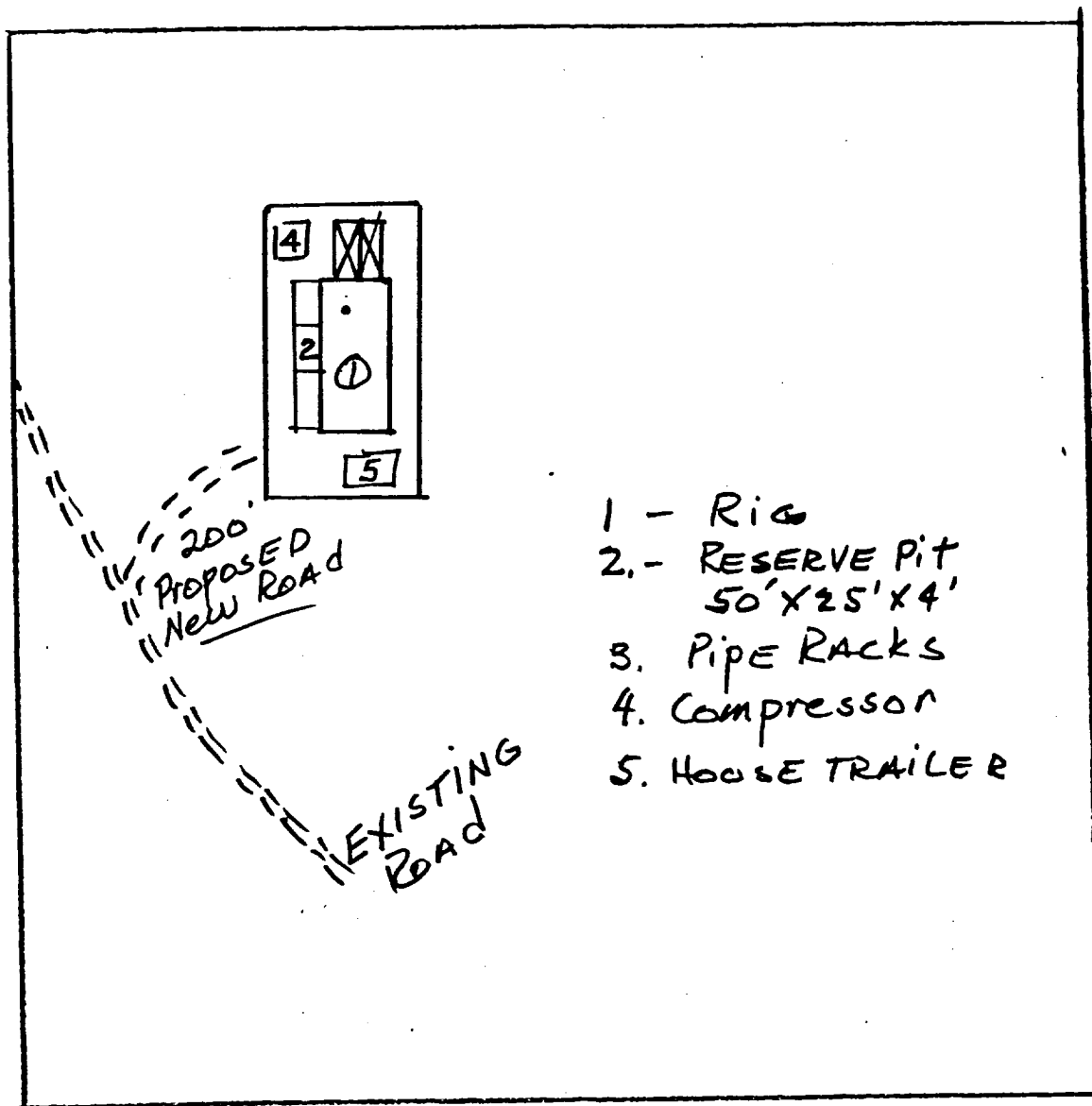
1. Location and vicinity map, San Juan Engineering Company, Exit Hwy. 550
2. 200' new road - to follow old road in from existing road.
3. Well site is 2650' southeast of the Anderson Ute #1 in Unit "L", Section 14, T31N, R16W.
4. Road shown on vicinity plat and location plat.
5. In case of production (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 550' 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, New Mexico 87108.

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CHACE UTE #3



UNIT "D" SEC. 23 T31N-R16W

SAN JUAN COUNTY, N.M.

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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.

June 22, 1978
Date

Rayce M. Carey
Name
President
Title

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Article II - B Paragraph 3

Blowout Preventor to be the standard 10" Schaeffer
Doublegate Hydraulic BOP tested to 5000 psia.
BOP tested when leaving rental warehouse and checked
for efficient operation daily.

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