

Proposed Development Plan for Surface U

1. Existing roads including location of exit from main highway.

Detailed map showing drillsite location in relation to the nearest town and all existing roads within one mile of the wellsite are shown on Exhibit A. From Monument go south on paved road 6.9 miles; 800' new lease road west to location.

2. Planned access roads. 800' new road required.

3. Location of existing wells.

All existing wells within one mile radius are shown on Exhibit C.

4. Location of tank batteries and flow lines.

If the well is commercially productive, the production facilities (i.e. tanks, separators, & treaters) will be produced into existing tank battery.

5. Location and type of water supply.

Fresh & brine water to be hauled by commercial hauler, Petro Thermal (Hobbs, NM).

6. Source of construction materials.

Caliche will be obtained from an existing pit located $\frac{1}{4}$ mile NM of well location. (See Exhibit B) NW/4 NW/4 Section 33, T-20-S, R-37-E

7. WASTE DISPOSAL -

- a. Drill cuttings will be disposed of in the reserve pit.
- b. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.