

- (3.) The drill site location is shown on the attached plat, spotting 330 feet from the North line and 660 feet from the East line of Section 25, Township 11 South, Range 27 East. This location is approximately 1-1/2 miles South, slightly east, of the lone producing well in the Chisum Field which spots 1980 feet from the South line and 1980 feet from the East line of Section 13, Township 11 South, Range 27 East, Chaves County, New Mexico.
- (4.) No lateral roads to other wells are planned at this time.
- (5.) The proposed tank battery site and necessary flow lines to be used if this venture is a success are shown on the attached location layout plat.
- (6.) Drill water will be hauled to the location from the city of Roswell, which lies 18 miles Northwest of the location at a price of 41 cents per barrel delivered.
- (7.) Waste disposal and sanitation will be handled by the trench method and will be filled and covered when the location is restored post-drilling operations.
- (8.) No camps will be constructed for the drilling of this test well.
- (9.) No air strips will be constructed in the connection with this drilling operation.
- (10.) The attached rig location plat shows the position of the rig, mud tanks, reserve pits, burn pit, pipe racks, and etc.
- (11.) The surface will be restored in accordance with the rules and regulations of the Department of the Interior and any surface agreements prevailing with ranchers, farmers, etc.
- (12.) To the best of our knowledge, there is no pot-ash or other merchantable hard minerals in the area of the drill site, however, it is our understanding that this location falls within the confines of a New Mexico State Water District, therefore, on the two previous Secan Oil Company, Incorporated deep wells, the State of New Mexico Oil Conservation Commission has required a minimum of 200 feet of surface casing with cement circulated and 1500 feet of intermediate casing (top of San Andres formation) with cement circulated.

Trusting that this plan meets with your approval, we are,

Yours very truly,

SECAN OIL COMPANY, INCORPORATED

  
E. Eugene Dauphin, II.

