DEVELOPMENT PLAN FOR SURFACE USE

PENROC OIL CORPORATION No. J DERO-FEDERAL "A" Com 1980' fsl, 1980' fel, Section 35, T-19-S, R-28-E Eddy County, New Mexico

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- Existing Roads: See attached reproduction from USGS Oil City Quadrange, marked Exhibit "A". More recent caliche surfaced roads to nearest wells are indicated on map marked Exhibit "B" in yellow color.
- 2. <u>Planned Access Roads</u>: Refer to Exhibit "B". An access road to the location will commence from an east-west caliche road to the south and be graded approximately 1500 feet northward. It will be surfaced with caliche. Width to be normal two lanes of traffic.
- 3. Location of Existing Wells: See Exhibit "B".
- 4. Lateral Roads to Well Location: See Exhibit "B".
- 5. Location of Tank Batteries and Flow Line: If well is productive and commercial, tank battery to be constructed on west side of drilling pad with flow line traversing a direct route to separator which will be immediately north of battery.
- 6. Location and Type of Water Supply: No water available in immediate area. Water for drilling to be hauled to location by tank truck.
- 7. <u>Methods for Handling Waste Disposal</u>: All waste and debris to be placed in reserve pit and covered during final clean up.
- 8. Location of Camps: None.
- 9. Location of Airstrips: None.
- 10. Location Layout (Rig, pits, pipe racks, etc.): See Exhibit "C".
- 11. Plans for Restoration of Surface: All pits to be filled and pits and location graded and levelled.
- 12. Other Information: The terrain is sandy with some dunes with minimal vegetation. No creeks, gullies or washes extreme enough to present special consideration.

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