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DEVELOPMENT PLAN FOR GRACE MORROW WELL

SECTION 25, T21S, R2LE,

Eddy County, New Mexico

1. Existing roads in the area consist of a dirt road which leads off of Highway 137 approximately 6 1/2 Files Southwest of its junction with highway 285. This dirt road proceeds southeast 1 mile to a point approximately 100 feet west of the proposed location.

2. The only necessary access road will be 100 feet of grading over gently sloping ground.

3. The well location survey plat is enclosed and was prepared by John West, West Engineering, Hobbs, New Mexico, a Registered Professional Engineer and/or Land Surveyor.

L. NA

5. Tank batteries and flow lines will be placed at the well location if necessary.

6. Water for drilling will be obtained from Mrs. Patsy Shafer's well located in Section 23, T21S, R24E.

7. Sacks and other combustibles will be disposed of in the burn pit. Other trash and waste will be buried in the mud pits upon well completion.

8. No camp is planned.

9. NA

10. The accompanying layout plan shows rig location, mud pit, burn pit. Mud tanks will not be used.

11. Pits will all be filled, ground will be leveled and re-seeded according to U. S. G. S. specifications.

12. Access road will be leveled and re-seeded.

13. Mud program will be submitted by Buckeye, Inc., Midland, Texas

14. Blowout preventer design enclosed.

CORINNE GRACE