

DEVELOPMENT PLAN FOR SURFACE USE

for the

MARALO, INC.

Hanson Federal No. 3

Eddy County, New Mexico

1. The attached map "Area Roads and Locations" shows the existing and proposed roads and locations in the area.
2. The attached drawing "Location Diagram" shows the location layout. The location is in grassland with gravelly soil.
3. Water will be supplied by a water well in Section 29.
4. All waste disposal except drilling fluids will be immediately buried. Drilling fluid wastes will be put into temporary pits which will be filled in later.
5. Mud pits will be stirred and allowed to dry. The pits and location will then be levelled.
6. If the well is a producer, a supplemental location diagram will be furnished showing surface production equipment.