

DEVELOPMENT PLAN FOR SURFACE USE

1. Roads: Inasmuch as this is a re-entry, we will be using existing lease roads. Refer to attached road plat.
2. Location of Well: 1980' FWL and 960' FNL, Sec. 31, T-23-S, R-26-E, Eddy County, New Mexico.
3. Tank batteries and flowlines will be located at well site.
4. Water needed for drilling operation will be trucked in and stored in water supply tank at well site.
5. Waste disposal will be handled through maintaining a day to day housekeeping program with a detailed clean up immediately after well is completed.
6. Produced brine water will be trucked to salt water disposal wells.
7. Inasmuch as our objective is gas, we do not anticipate casing-head gas production. However, in the event casinghead gas production is established in paying quantity, we will then negotiate for pipe line and marketing facilities.
8. Location layout plat attached.
9. Upon completion of well, location will be cleaned and leveled with bulldozer and grading equipment and returned to original state as near as feasible.