

TWELVE ( 12 ) POINT DEVELOPMENT PLAN

John F. Staver dba Saguaro Oil Company  
No.'s 3 - 4 - 5 - 6 - 7 Staver Table Mesa  
NE/4 and SE/4 of Sec 3 T27N R17W NMPM  
San Juan County, New Mexico

Enclosed are plats showing the location of the existing roads, wells and lateral roads to the various locations.

Basically, the existing lease roads will be utilized except for short laterals ( 50 to 300 feet) to the well pads.

If commerical production is obtained, the pumping unit etc. will be installed within the existing cleared pad area. Flow lines will be laid to the main tank battery approximately from a 1300 feet to 2400 feet to the west and northwest.

Water for drilling operations will be obtained on the lease from presently produced formation water.

Waste disposal will be buried in the burn pit, latrine or the reserve pit as needed.

No camp or airstrip will be associated with the drilling or completion of this well.

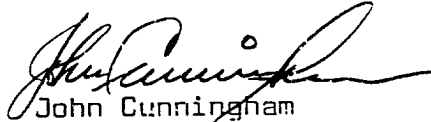
Small self-contained trailers might be used by supervisory personnel during the drilling and completion phases.

A plat is included to show the proposed location of the rig, mud tank reserve pit, burn pit latrine etc.

the area is covered with very sparse clumps of native grass in the shaly soil of the upper Mancos formation.

Upon completion of the well, the locations will be cleaned and leveled and restored to the original as much as conditions and operations permit.

Very truly yours,



John Cunningham

Saguaro Oil Company  
Its President

Farmington New Mexico  
February 25, 1976