

DEVELOPMENT PLAN FOR SURFACE USE

V-F Petroleum Inc. #1 Federal
5,100' San Andres Test Well -
West Sawyer San Andres Field
660' FN & WL Section 4
T 10 S, R 37 E
Lea County, New Mexico

The following numbered paragraphs correspond to the numbered paragraphs in USGS Notice of September 1, 1973 to lessees and operators of Federal and Indian oil and gas leases setting forth required information for development plan for surface use.

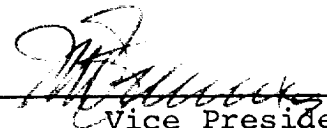
1. See Enclosure 1.
2. See Enclosure 2.
3. See Enclosures 1. & 2.
4. See Enclosure 2.
5. See Enclosure 2.
6. Water to be used in the drilling operations of the proposed well will come from landowner's tank and will be piped over to well location - see Enclosure 2. for location of tank and proposed water line. We have already made arrangements with the landowner to furnish the water for this well.
7. All hard waste material such as pipe, fittings, drillbits, timbers, etc. will be removed from the location after completion of the well. Soft waste materials such as cuttings, garbage, cardboard boxes, etc. will be buried in a trash pit with a minimum of 24" cover of dirt and this work will be done at the same time the pits are broken out and the location is smooth and restored after drilling.
8. Not applicable.
9. Not applicable.

10. See Enclosure 3. The drilling pad will be compacted and, if necessary, will be surfaced with caliche.
11. When the well has been completed and tank battery erected, we shall break out the pits, bury the soft waste material, level the surface of the ground and otherwise restore the surface to its original condition, excepting the areas immediately adjacent to the producing well and tank battery, such as access road and turnaround, which will be needed for production operations. We have already made arrangements with the landowner to compensate him for damages to his surface resulting from our drilling and production operations.
12. This land is flat grazing land with a limey sand surface soil which grows some grass and low, shiner type bush vegetation. It is our opinion that our oil operations will have no impact on the environment except to provide additional crude oil for the Nation's energy needs.

Company representative responsible for compliance with this plan:

V. F. Vasicek, 1212 Vaughn Building,
Midland, Texas 79701 Phone: AC 915 683-3344

V-F PETROLEUM INC.

by  Vice President

January 8, 1974