

Development Plan For The Surface Use
Of
R. J. Zonne - Federal -17 #1
Located
1980' FS & EL Section 17, T-22-S, R-32-E, NMPM
Lea County, New Mexico

1. Existing roads - refer to attached plat
2. Planned access roads - refer to attached plat
3. Location of tank battery - Plan to locate stak-pak unit and storage tanks on the edge of the drilling pad.
4. Location and type of water supply - Plan to truck fresh water and brine as required and use produced water from Todd 26 Federal No. 1 Well located in Section 26, R-23-E, T-31-S, Eddy County, New Mexico, for drilling purposes. Water will be accumulated in water tanks, steel and reserve pits at wellsite.
5. Method of waste disposal - Plan to burn all inflamable material. Drilling fluids and hole solids will be handled in the steel and reserve pits. Other waste materials will be handled daily as required to maintain a clean location. Final clean up will be in accordance with prudent practices.
6. Rig layout plan - Refer to attached plat for Sharp Rig #52.
7. Production of Oil and Gas will be handled in a manner consistent with prudent practices as dictated by available markets.