

Proposed Development Plan for Surface U.

1. Existing roads including location of exit from main highway.

Detailed map showing drillsite location in relation to nearest town and all existing roads within one mile of the wellsite are shown on Exhibit A. From Monument, N.M., go south on paved road 4 miles, turn east at cattleguard on dirt lease road .2 mile, turn south on lease road 1300' to Well No. 19, turn east 1170' on new lease road to wellsite.

2. Planned access roads.

1170' new lease road - caliche.

3. Location of existing wells.

All existing wells within one mile radius are shown on Exhibit C.

4. Location of tank batteries and flow lines.

If the well is commercially productive, the producing facilities (i.e. tanks, separators, & treaters) will be into existing tank battery.

5. Location and type of water supply.

Water to be hauled from 3 miles south of Monument, N.M.

6. Source of construction materials.

Caliche will be obtained from an existing pit located 3/4 mile NE of the well location. NW/4 NW/4 Section 22, T-20-S, R-37-E. *(SEE EXHIBIT B)*

7. WASTE DISPOSAL -

- a. Drill cuttings will be disposed of in the reserve pit.
- b. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.