

f. Metallurgy:

1. All drill strings, casings, tubing, wellheads, BOPS , drilling spools, kill lines, choke manifold, valves and lines will be suitable for H2S service.
2. All elastomers used for packing and seals shall be H2S trim.

g. Communication:

1. Cellular Telephone and/or 2-way radio will be provided at wellsite.
2. Landline telephone is located in field office.

h. Well testing:

1. Drill stem testing may be done in this well bore. Completion testing, if required, will be conducted under the same applicable H2S guidelines that were used in drilling.

(C) SURFACE USE PROGRAM

- (1) Existing roads: Exhibits A, B and C show maps of the general area. From Loco Hills, New Mexico, go east on U.S. Highway 82 approximately 4.9 miles. Turn north on Skelly road and go approximately 1/4 mile. Turn west onto lease road and follow to the location.
- (2) Access roads to be constructed: This location will require approx. 330' of additional lease road into the well pad. See Exhibit A.
- (3) Location of existing wells: See Exhibit A.
- (4) Location of existing or proposed production facilities:
See Exhibit A for location of existing Jackson A production facility on the lease. We propose to above ground commingle this Cedar Lake, Yeso production with the existing Yeso & Grayburg production by laying approximately 1100' of new flowline along new roadway from this pad to JA#3 well flowline to existing Jackson A Tank Battery.
- (5) Location and type of water supply: All water to be used in drilling the well will be brine or fresh water trucked from Loco Hills, New Mexico or fresh or produced water furnished by our waterflood facilities.