

### **3. LOCATION OF EXISTING WELLS:**

A. Exhibit "C" is a 1" = 4000' land plat showing all wells located within two mile radius.

### **4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

A. There are no production facilities on this lease.

B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.

### **5. LOCATION AND TYPE OF WATER SUPPLY:**

A. Water will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

### **6. SOURCE OF CONSTRUCTION MATERIALS:**

A. Caliche and dirt for surfacing the road and the well site pad will be obtained from the site and from City of Carlsbad caliche pit across the US Refinery Road. Topsoil and caliche from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for those necessary for actual grading and leveling of the drill site and access road.

### **7. METHODS OF HANDLING WASTE DISPOSAL:**

A. Drill cuttings will be disposed of in the reserve pit.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.

D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to BLM for approval.

E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

F. Oil produced during operations will be stored in tanks until sold.

G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.