

Multi-Point Surface Use and Operations Plan

Sterling Silver "33" Fed. No.9

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7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be either placed in the reserve pits and allowed to evaporate or collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Human waste will be disposed of per current standards.
- F. Trash, waste paper, garbage, and junk will be collected in trash trailers and disposed of in an approved waste facility such as a land fill. The trash trailers will contain all of the material to prevent scattering by the wind.
- G. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. Approximately 1200' of 3" OD X 2-1/2" ID, 1000 psi. 8-rd EUE fiberglass flowline will be laid in a minimum 36" deep trench going north to a common east/west trench (originating at the No.4 location to the west). Approximately 1100' of the same type line will be laid from this point to the existing tank battery located to north/east in the SW/NE of this same section. The trench will be covered to conform with the existing terrain and reseeded per BLM specs. See attached Exhibit F - Flowline Route.

9. WELLSITE LAYOUT

- A. Exhibit G shows the dimensions of the well pad and reserve pits, and the location of major rig components. Reserve pits to the east, V-door south.
- B. The ground surface of the location is located among several sand dunes with vegetation growing on them. The location will be constructed by leveling the necessary dune and covering the sand with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' work area which will contain the pad and pit area has been staked and flagged.

10. PLAN FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluid will be fenced until they have been filled.