

5. LOCATION AND TYPE OF WATER SUPPLY

- A. It is planned to drill the well with both fresh water and brine water systems. Both types of waters will be hauled to the location by truck over existing roads. Both types will be obtained from commercial sources.

6. SOURCES OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad will be obtained from a pit located off the wellsite.

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 material to prevent scattering by the wind.
- G. All debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES

- A. A 3" od x 2-1/2" id 1000 psi 8rd EUE fiberglass flowline will be laid in a minimum 36" deep trench from the proposed well W for approximately 1300', to proposed tank battery location located 1980' FNL and 1980' FWL of this same section. The trench will be covered to conform with the existing terrain and reseeded per BLM specs. See attached Exhibit G for flowline route.

9. WELLSITE LAYOUT

- A. Exhibit H shows the dimensions of the well pad and reserve pits, and the location of major rig components.