

3. Location of Existing Wells: Only two wells exist within one-mile radius of the proposed location. The location of these wells are shown on Exhibit "B".
4. Tank Batteries, Production Facilities and Lease Pipelines: The tank battery and production facilities for this lease will be constructed approximately 200' north of Well No. 1. NOTE: This sight was approved with Well No. 1. Should the subject well encounter production a 4 inch steel pipeline approximately 500 feet long will extend on top of the ground from Well No. 2 to the tank battery near Well No. 1.
5. Water Supply: Drilling water will be hauled by trucks over existing roads from BLM water wells as follows: first choice, Encino water well in Section 17, T20N, R3W; second choice, Pelon water well located in Section 31, T21N, R4W.
6. Source of Construction Materials: The proposed roads and drilling pad will be constructed by leveling and compacting existing surface materials (mainly sand and clay). No outside materials will be hauled in for construction of roads or drilling pad.
7. Methods of Handling Waste Disposal:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in drilling pits until pits are dry.
 - C. Water produced during tests will be disposed of in drilling pits. Oil produced during test will be stored in test tanks until sold.
 - D. Current laws and regulations pertaining to disposal of human waste will be complied with.
 - E. Trash, waste paper, sacks, garbage and junk will be burned or 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. Location of trash pit is shown on Exhibit "C".
 - F. All trash and debris will be buried or removed from wellsite within 30 days after finishing drilling and/or completion operations.
8. Ancillary Facilities: None Required.
9. Wellsite Layout:
 - A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pits, trash pits, and location of major rig components.
 - B. Construction of drilling pad will require a cut of eight to nine feet on the northwest side, with the cut material being moved to the southeast side to be used as fill. A drainage ditch will be constructed to divert water run-off from north of location to the east side.
 - C. The reserve pit will be plastic-lined.
 - D. The wellsite and road have been staked.

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