

SURFACE USE AND OPERATIONS PLAN (Continued)

CANDY BUTTE #4

SANDOVAL COUNTY, NEW MEXICO

- (2) Drilling Fluids: The drilling fluids will be pumped out of the reserve pit and disposed of in a more suitable pit, after any oil accumulation in the pit has been removed and hauled to the production facility for recovery.
- (3) Produced Fluids (oil, water): If production is established, oil will be trucked by the purchaser over access road shown on Exhibit #1. Water will be trucked to an approved water disposal system over the same road.
- (4) Sewage: Sewage will be contained in a chemical latrine.
- (5) Trash and garbage will be contained in an earthen pit, see Exhibit #4, and buried following drilling operations. Said pit to be fenced with small mesh wire to prevent wind from scattering trash before being burned or buried.
- (6) Following completion of drilling operations, all pits will be filled (after they dry up) and area surrounding the location leveled.

8. Ancillary Facilities

No ancillary facilities will be constructed.

9. Well Site Layout

- (1) Cross sections of drill pad - See Exhibit #3
- (2) See Exhibit #4
- (3) See Exhibit #4
- (4) Statement as to whether pits are to be lined or unlined:
There are plans to reline the earthen pit with a polyethylene liner if deemed necessary by the B.L.M. or the U.S.G.S.

10. Plans for Restoration of Surface

- (1) Following completion of drilling operations, any oil accumulation on pits will be removed and hauled to a production facility to be recovered. All pits will be filled (after they dry up) and the area surrounding the location leveled. The location will then be graded to conform with the original topography and contours made as are necessary to achieve the same. All waste material will be buried in an earthen pit following completion of operations.