

- B. The new road will be 4000' long and 12' wide (driving surface) except at the origin adjacent to the existing county road, at which point enough additional width will be provided to allow heavy trucks and equipment to turn.
- C. The new road will be covered with whatever caliche is required and crowned to assure ample drainage on both sides. No turn-outs are contemplated. The caliche will be trucked from the nearest existing pit located in the NW/4 of SE/4 Sec. 12-T19S-R-32-E or about 1 miles south from our well location.
- D. The center line of the new road has been staked and flagged so that the route is clearly visible.

3. LOCATION OF EXISTING WELLS

- A. The well locations in the vicinity of the proposed well are shown in Exhibit C. There are no wells in the same section.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There is no producing well on this lease at the present ime.
- B. In the event that the well is productive, the necessary production facilities will be installed on the 400' square drilling pad, including, if required, a self-contained generator to provide the necessary electric power.

5. LOCATION AND TYPE OF WATER SUPPLY

We will drill the proposed well using fresh water mud. The water will be hauled by tank truck from the nearest available source (Carlsbad) over existing roads.

6. SOURCES OF CONSTRUCTION MATERIAL

The material to be used on drill pad and access service road will be native caliche obtained from an USGS approvec caliche pit in Sec. 12 T19S, R32E (shown on Exhibit C Location Map), and hauled by truck over existing roads.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be disposed of in the reserve pit located within the 400' X 400' drill site area shown on Exhibit D.