Read & Stevens, In North Haystack Federal Well No. 1 Page 3

7. METHODS OF HIS PLING WASTE DISPOSAL

- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be 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.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILIARY FACILITIES

A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.
- B. Mat Size: 250' X 215'
- C. Cut and Fill: The location will require a slight cut of 1-2 feet on the east and filled to the west.
- D. The surface will topped with compacted caliche and the reserve pit will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the well-site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. The is in accordance with the agreement with the surface owner, Mr. Ed Denton, Kenna, NM. All pits will be filled and leveled within 90 days after abandonment.