

2. PLANNED ACCESS ROAD: cont.....

- E. Cuts and Fills: Approximately 1000 feet north the point of origin is a 10 - 15 feet sandstone bluff that will require cutting. A cut of 10 to 15 feet will be made at this point. The material from the cut will be used to surface the road. Another smaller cut will be required at the southeast corner of the 400' X 400'. The road will cross an arroyo which will require a 4 - 5' cut on each side. The cut will be made down to a sandstone bed at the bottom of the arroyo.
- F. Gates, Cattleguards: One cattleguard will be placed at the point of origin of the new access road where the ranch fence parallels the existing access road.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with both fresh and brine water. The water will be obtained from Mr. Fred Van Eaton's surface tanks or wells located on the ranch within two miles of the drill site. The water will be transported over existing and proposed access roads or a plastic line will be used.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche and the other materials used for surfacing the road and the well site pad will be obtained from the road bed surface and the cut mentioned in 2.E. above. No additional material from any other location is contemplated at this time. The top soil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for those necessary for actual grading and leveling of drill site and access road.

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. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.