Durham, Inc. N.N.G.-M Federal Com. No. 1 Page 3

- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the USGS for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. 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.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.
- 8. ANCILLARY FACILITIES.
 - A. None required.
- 9. WELLSITE LAYOUT.
 - A. Exhibit "D" shows the location of major rig components.
 - B. The ground surface at the drilling location is gently sloping with a rise toward the southeast. Cutting will be required to level the pad area, which will be covered with at least six inches of compacted caliche.
 - C. The reserve pits will be plastic lined.
 - D. The pad and pit area has been staked and flagged.
- 10. PLANS FOR RESTORATION OF THE SURFACE.
 - A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.
 - B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.