

7. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed of in the reserve pit.
- B. Drilling fluids will be circulated through the earthen, lined reserve pit. The pit will also contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 150' X 150' X 6' deep and fenced on three sides prior to drilling. It will be fenced on the fourth side immediately following removal of the rig. The reserve pit will be plastic-lined (5-7 mil thickness) to minimize loss of drilling fluids and saturation of the ground with cut-brine water. After mudding-up, drilling fluids will be circulated through steel drilling pits and the cutting disposed of in the reserve pits.
- C. Water produced from the well during completion may be disposed of in the reserve pit. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass or steel) and held until hauled by transports to a BLM approved disposal. Produced oil/condensate will be collected in steel tanks and held until sold.
- D. Garbage and waste material produced during drilling operations will be collected in a trash container and disposed of in an approved sanitary landfill. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced by drilling/completion operations will be disposed of in the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 90 days. No adverse materials will be left on the location. The reserve pit will be completely fenced and kept closed until it has dried out. When the reserve pit is dry enough to breakout and fill and, as weather permits, the pit site will be leveled and reseeded as per BLM stipulations. In the event of a dry hole, only a dry hole marker appropriately inscribed will remain.