3. LOCATION OF EXISTING WELLS:

A. Existing wells within a one mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. If the proposed well is completed for production a surface flow line will be laid to the existing tank battery at well No. 1. No additional surface disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with fresh water. The water will be obtained from either private or commercial sources and will be trucked to the well site over the existing roads and the proposed access road.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and the well pad will be obtained from and existing pit in the SE¼, SW¼ Sec. 16, T17S, R30E, which is State land. 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 the 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 material to prevent livestock from entering the area.

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.