

The road will be crowned, with drainage on both sides. No culverts or turnouts will be necessary. The entrance to the road, at the point where it meets the existing access road, will be widened to provide turning space for vehicles and equipment entering the new road. The road will meet the drilling pad at the southeast corner of the pad.

3. LOCATION OF EXISTING WELLS.

- A. The nearest production is the well indicated in paragraph 1A(3), above, and a recently completed Morris R. Antweil gas well about a mile north of the proposed location (See Exhibit C).

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for construction of the drilling pad and the new access road will be obtained from an existing pit, located on privately owned surface, in the vicinity of the tank battery indicated in paragraph 1A(3), above.

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. 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 U.S.G.S. 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.