

Hondo Drilling Company
Fed. Alscott Com. Well No. 4
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and caliche fill will be added, as necessary.

2. PLANNED ACCESS ROAD.

- A. The proposed new access road will originate from the existing access road, at the point indicated in paragraph 1A (3) above. It will be 2000' in length and 12' in width, and will be covered with the necessary thickness of compacted caliche. The entrance to this road, at the point where it meets the existing access road, will be widened sufficiently to provide turning space for vehicles and equipment entering the new road. The new road will be crowned in the center, with drainage on both sides of the road. No culverts or turnouts will be necessary.
- B. The center line of the proposed new road has been staked and flagged, with each stake clearly visible from the stake nearest to it.

3. LOCATION OF EXISTING WELLS.

- A. The nearest production from the same horizon is $\frac{1}{2}$ mile to the south from the proposed location. Shallow wells have been drilled within a $\frac{1}{4}$ mile radius, as indicated in Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are four production wells on this lease at the present time. Production from above 3000' feet.
- B. In the event that the well is productive, a battery and the necessary production equipment will be installed at the East edge of the drilling pad and will be fenced. 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.
- C. There are no existing lease pipelines on the lease. If production is encountered, all lease lines will be constructed on the drilling pad.

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, as well as for any resurfacing of the existing access road, will be obtained from an existing state-owned pit in Section 21-