4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

   A. There is one producing well (SE/NE), one water injection well (SW/NE) and one tank battery(SW/NE) on this lease.

   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, electric power from existing lines will be utilized if necessary.

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 privately owned or commercial sources and will be hauled to the location by truck over the existing and proposed roads on Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

   A. Caliche for construction of the drilling pad and the new access road, and repairs to the existing access road, will be obtained from an existing pit.

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.

   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 appropiate 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 C shows the relative location and dimensions of the well pad, reserve pits, and major rig components.

   B. The ground surface at this site is low rolling mounds 6-8 feet in height, and the well location is on the southeasterly slope of one of these mounds. Approximately 3 1/2' cut and fill will be required to level the pad area, which will be covered with at least six inches of compacted caliche.