

4. Source of Construction Materials:

None necessary.

5. Location of Existing Wells:

Exhibit #4 shows all existing wells within a one mile radius of this well.

6. Location of Existing and/or Proposed Facilities:

- A. SDX Resources, Inc. operates production facilities on this lease located in the NW/NW of Sec. 11.
- B. If the well is productive, contemplated facilities will be as follows:
  - 1. 2"-3" SDX - 11 plastic flow line will be layed beside access road and connected to existing steel flowline to transport all fluids to the existing battery.
  - 2. Any additional construction materials will be purchased from contractors.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into a workover pit dug for this purpose.
- B. Drilling fluids will be contained in steel/reverse unit pits. A pit approximately 6' deep X 15' X 40' will be dug to hold cuttings and workover fluids. It will be fenced at all times and covered immediately after completion.
- C. Water produced from the well during completion may be disposed into this pit. After the well is permanently placed on production, produced water will be handled at the Battery by transferring it into the existing Dunn B Injection system.