

7. Handling Waste Disposal:

- A. Drill cuttings - disposed into drilling pits.
  - B. Drill fluids - allowed to evaporate in drill pits until pits dry.
  - C. Produced water during testing - drill pits.
  - D. Produced oil during testing - storage tank until sold.
  - E. Current laws and regulations pertaining to disposal of human waste will be complied with.
  - F. Reserve pit will be plastic lined.
  - G. Waste paper, garbage, junk disposed of into special trash pit at location and covered with minimum of 24 inches of dirt upon completion of well. All waste material will be contained to prevent scattering by wind.
8. All trash and debris will be buried or removed from well site within 30 days after finish drilling and/or completion operations.

9. Ancillary Facilities:

None

10. Plans for Restoration of Surface:

- A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of trash and junk to leave well site in aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until filled.
- C. After abandonment of well, surface restoration will be in accordance with State of New Mexico Surface Requirements.

11. Topography and Soil:

See attached Eastern New Mexico University Report by Dr. Colleen M. Beck

12. Land Use:

Grazing and hunting - Federal Land - Surface leasee is

Bogle Farms, Inc.  
P. O. Box 358  
Dexter, New Mexico 88230  
505+734-5442

13. Surface Ownership:

Federal NE/4 of Section 20; State SE/4 of Section 20.

14. Operators Representative:

Field representatives (responsible for compliance with approved surface use and operations plan):

Southland Royalty Company  
P. O. Box 65  
Loco Hills, New Mexico  
Office 505+677-2233

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Loco Hills Home 505+677-2295