

4. Location of Existing and/or Proposed Facilities

- A. Production facilities for all the existing wells in the area are located on the individual drilling well pads and no additional surface disturbance has occurred.
- B. Proposed production facilities will be set on the drilling pad of the Government "AM" No. 1.

The equipment will consist of two 300 barrel tanks to collect condensate and water which will be trucked to sale or disposal and a production unit (stack pack). All equipment will be fenced with a chain link fence.

All permanent above ground structures and equipment will be painted in accordance with the BLM's painting guidelines, simulating the color of sandstone brown.

The gas purchaser will install necessary gas measurement equipment and gathering system for gas.

5. Location and Type of Water Supply

- A. Both fresh water and brine water will be used to drill this well. Both will be purchased in and near Loco Hills, New Mexico, and will be trucked to the well site over existing and proposed roads.

6. Source of Construction Materials

- A. Caliche for surfacing the road and the well pad will be obtained from a Federal pit located NW/NE Section 34-18S-29E. It is color coded yellow on the USGS "Oil City" Quadrangle Map.

7. Method of Handling Waste Disposal

- A. Drill cuttings will be disposed of in drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. 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.
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.