

4. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be purchased from trucking companies servicing this area and will be trucked to the wellsite over existing and/or proposed roads shown on Exhibits "A" and "AA".

5. LOCATION OF CONSTRUCTION MATERIALS:

- A. Caliche for construction of the location and any needed road repairs hopefully will come from the location itself. If this is not possible, caliche will be taken from a BLM pit located in the NE4/NW4 of Sec. 12-T18S-R27E which is BLM pit #18271203. This pit also extends into the SE4/SW4 of Sec. 1-T18S-R27E which is BLM pit #18270114. An alternative pit which may be used in the event BLM pit #18271203 contains unsuitable material is a BLM pit located in the SW4/NE4 of Sec. 1-T18S-R27E which is BLM pit #18270107.

6. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water used and produced during stimulation, production testing, squeezing operations etc. will be disposed of in the drilling pits. Oil produced during tests will be stored on site in steel test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. All trash, junk and other waste material will be contained in an appropriate container to prevent scattering and will be removed and deposited in an approved sanitary landfill.
- F. All trash and debris will be buried or removed from the wellsite within 90 days after drilling and/or completion operations have ceased.