

February 2, 1978

5. For water supply for drilling and cementing, it is planned to purchase the water from one of the water companies in the area and truck it to the proposed location over existing road shown on Exhibit No. 1.

6. The material used to construct the proposed access road and rig location will be dug from one of several existing pits in the area. One existing pit is located between Shenandoah's Shugart "A" No. 9 Well and Federal Keohane et al "A" No. 2 Well. The materials will be hauled over existing roads.

7. For handling waste disposal, we will dig a separate pit while making location. This pit will be large enough and deep enough to cover all waste material with a two-foot cover. The drilling fluid will be allowed to evaporate and dry up and will be covered up in the pit when location is cleaned up.

8. No air strip will be constructed. All permanent type structures in the area are shown on Exhibit No. 1.

9. Layout of rig, etc. will be shown on Exhibit No. 3. The location will be kept as small as possible to accomodate rig.

10. As soon as practical after the drilling and completion of the proposed well, all the pits and all areas other than the proposed access road and the compacted location will be cleaned and pits covered. This will be a very small amount of land and should create very little impact on the environment as the topography is mostly sand with very little vegetation and no large hillsides or gullies.

11. See No. 10 above for description of topography. The surface ownership of the land for the proposed location and proposed access road are all Federal. All occupied dwelling houses and other facilities are shown on Exhibit No. 1.

12. If approved, this total operation will be overseen by our District Superintendent, Mr. Dale Boland, Post Office Box 65, Loco Hills, New Mexico, 88255; office phone (505) 677-2233; home phone (505) 396-5593; mobile phone (505) 676-3380.

If he cannot be reached, please contact C. W. Downey, Jr., Division Manager, Post Office Box 1027, Odessa, Texas, 79760; office phone (915) 381-2794.

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the state-