Multipoint Surface Use and Operations Plan Phoenix Resources Company - Gardner Draw Unit Well No. 3 Page 2

- 5. Location and type of Water Supply:
  - A. Water will be purchased and trucked to the wellsite over existing roads shown on Exhibit "A".
- 6. Source of Construction Materials:
  - A. A bulldozer is used to level existing soil. No caliche is used... Area is rocky enough for sturdy foundation for drilling rig.
- 7. 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 produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in the test tanks until sold.
  - D. Sewage will be collected in a pit at least 6' deep below an outside latrine. Suitable chemical will be added to aid decomposition of the waste material and then back filled following completion of the well.
  - 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. Location of trash pit is shown on Exhibit "C".
  - F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.
- 8. Ancillary Facilities:
  - A. None required.
- 9. Wellsite Layout:
  - A. Exhibit "C" shows the relative location and dimension of the well pad, mud pits, reserve pit, trash pit and location of major rig components.
  - B. The West side of the location will have to be cut and the dirt moved to the East side in order to level the location site.