

3. LOCATION OF EXISTING WELLS

- A. Exhibit "C" is a map showing the location of all of the wells in a two mile radius of the proposed well. There is a well currently being drilled one mile North of the proposed wellsite by Gulf Oil Company.

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

- A. There are no existing facilities.
- B. In the event of a producible well, the production will be stored on location until such time as deemed appropriate for the construction of storage facilities at another site.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water for drilling will be purchased from Mr. Jimmie Monroe. The water will come from an existing well located approximately one mile Southwest of the proposed well and will be transported by a 3" fast line laid along the road right of way, no road crossings are required for this. Exhibit "C" shows the location of this well.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Caliche for surfacing of roads and pad will be obtained from an existing pit located in the S.E. 1/4 of the S.W. 1/4 of Section 25, T-19S, R-28E. The pit is on land owned by the State of New Mexico. The location of the pit is shown on Exhibit "B".

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 pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits and hauled to an approved salt water disposal well.
- 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" of dirt. Location of the trash pit is shown on Exhibit "E".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and completion operations.
- G. All pits will be lined.

8. ANCILLARY FACILITIES

- A. None required.

9. WELLSITE LAYOUT

- A. Exhibit "E" shows the relative locations of pad, mud pits, reserve pit, trash pit, and location of major rig components.
- B. Only minor leveling of the wellsite will be required. No significant cuts or fills will be required. The reserve pit will be located North of the well as staked.