3. Location of Existing Wells: There are a number of dry or abandoned wells in the area, but the nearest producing well is the Yate's Pecos River Unit #1 which is approximately 1.5 miles east of the proposed location. All of the wells in the area, dry, abandoned, or producing, are shown on Exhibit "B".

4. Tank Batteries, Production Facilities and Lease Pipelines: Should production be encountered, the tank battery and other required production equipment will be located on the well pad. All production lines will be constructed on well pad and above ground. Refer to Exhibit "D".

5. Water Supply: A water well will be drilled on the proposed location.

6. Source of Construction Materials: Caliche will be obtained from an existing pit on SE/4 of SE/4 of Section 30, T19S, R27E and purchased from Bureau of Land Management by contractor. Construction material will be hauled over existing roads to the proposed new road and drillsite. Refer to Exhibit "C" for location of pits and haul roads.

7. Methods of Handling Wast Disposal:

A. Drill cutting 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 drilling pits. Oil Produced during tests will be stored in test tanks until sold.

D. Current laws and regualtions pertaining to disposal of human waste will be complied with.

E. Trash, waste paper, sacks, garbage and junk will be burned or buried in a separate trash pit and covered with a minimum of 24" of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown in Exhibit "E".

F. All trash and debris will be buried or removed from wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities: None required

9. Wellsite Layout:

A. Exhibit "E" shows relative location and dimensions of well pad, mud pits, reserve pit, trash pit and location of major rig components.