5. LOCATION AND TYPE OF WATER SUPPLY.

   A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and either hauled to the location by truck over the existing and proposed roads or piped to location from existing water well in Section 28 T18s R24e as shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

   A. Any caliche required for consturction of the drilling pad and the new access road will be obtained from the location itself or from a pit located at SW¼ SW¼ Section 24, T19s, R24e. Pit recently cleared by J.L. Haskell.

7. METHODS OF HANDLING WASTE DISPOSAL.

   A. Drill cuttings will be disposed of in the reserve pits.

   B. Drilling fluids will be allowed to evaporate in reserve pits until the pits are dry.

   C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for appropriate approval.

   D. Oil produced during operation will be stored in tanks until sold.

   E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

   F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained to prevent scattering by the wind.

   G. 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 dimensions of the well pad, the reserve pits, etc.

   B. The location surface is gently sloping to the east.

   C. The reserve pits will be plastic lined.

   D. A 400' X 400' area has been staked and flagged.