5. LOCATION AND TYPE OF WATER SUPPLY

A. It is planned to drill the proposed well with a cut-brine water system. The water will be obtained from commercial sources and will be hauled to location by truck over existing and proposed lease roads marked on Exhibit "B".

6. SOURCES OF CONSTRUCTION MATERIALS

A. Caliche required for construction of the location pad and access road will be obtained from caliche on the location.

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 the reserve pits until the pits are dry.

C. Water produced during operations will be collected at the tank battery and pumped to an approved disposal system.

D. Oil produced during operations will be stored at the existing battery and sold through transport trucks.

E. Current regulations pertaining to 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 of 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 well site within 30 days after drilling and/or completion operations are terminated.

8. ANCILLARY FACILITIES

A. No ancillary facilities will be required for this well.

9. WELLSITE LAYOUT

A. Exhibit "D" shows the dimensions of the well pad and reserve pits and the location of major rig components.