Lusk, 9206 JV-P, Well No. 1 Page 2

- 4. Location of Existing and/or Proposed Facilities if Well is Productive.
  - A. If well is productive, we will use the well pad for all necessary production facilities.
  - B. Should the well be successfully completed for production, the BLM will be notified when the well is placed in producing status within five days.
  - C. All facilities will be painted a flat, nonreflective, earthtone color to match the standard environmental colors within six months of installation.
- 5. Location and Type of Water Supply
  - A. Water for drilling and completion operations will be purchased and trucked to the well site, or transported by a plastic temporary "fas-line" laid on the surface alongside existing roads.
- 6. Source of Construction Materials
  - A. Caliche used for construction of the drill pad and access road will be obtained from the wellsite.
  - B. If there is not sufficient material available in that pit, it will be purchased from the area designated by the BLM.
- 7. Methods of Handling Waste Disposal
  - A. Drill cuttings will be disposed of in the reserve pits located on the west side of the rig.
  - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough for backfilling.
  - C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
  - D. Oil produced during test will be stored in test tanks until sold.
  - E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
  - F. Trash, waste paper and garbage will be disposed of by hauling to an available disposal. All waste material will be contained in a totally enclosed trash basket with a fine wire mesh, to prevent wind scattering during collection. The road and pad will be kept litter free.