

G. Cuts and Fills: Construction of the well pad and new access road will require levelling of 4' sand dunes.

H. Gates, Cattleguards: None

3. LOCATION OF EXISTING WELLS:

A. See EXHIBIT B.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Test facilities will be located on the well pad.

B. Flow line to battery will be constructed along the new access road.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling and completion will be obtained from a commercial source and trucked over existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. In-situ material will be used to surface the road and well pad.

B. Any additional off-lease caliche for surfacing the road and pad will be obtained from a Federal pit located in the NESW Sec.31-19S-31E. This pit has had Archaeological clearance.

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 drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.

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

E. Trash will be stored in an acceptable container and removed to an approved land fill.

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