

5. WATER SUPPLY

Water will be hauled from the Foster Water Station three miles north of the No. 5 location.

6. SOURCE OF CONSTRUCTION MATERIALS

Caliche will be hauled from a pit located in the SW/4 of the SW/4 of Section 13, T-20S, R-24E, Eddy County, New Mexico.

7. METHODS FOR HANDLING WASTE DISPOSAL

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.

8. ANCILLARY FACILITIES

None required.

9. WELL SITE LAYOUT

Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, reserve pit, etc. The reserve pit will be lined with plastic. The pad and pits are staked.

10. PLANS FOR RESTORATION OF SURFACE

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

11. OTHER INFORMATION

A. Terrain: Flat.

B. Soil: Sandy.

C. Vegetation: Mesquite, grasses.

D. Surface Use: Grazing.

E. Ponds and Streams: None within one mile.

F. Water Wells: None within one mile.