

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

No additional pad will be necessary as there is an existing pad.

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 as is currently being done with water produced by our existing wells.
- D. Oil produced during operations will be stored at the existing battery and sold through the LACT Unit currently in use.
- 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

Since, there is already an existing pad at this location and the fact that we will use a pulling unit and reverse unit in performing this work, it is not anticipated that any additional area will be disturbed.

10. PLANS FOR RESTORATION OF THE SURFACE

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.