

August 18, 1976

4. Location of Production Facilities.

At each of the wells, production equipment is set on the caliche drilling pad approximately 150' from the well. The equipment consists of tanks to collect both condensate and water which is trucked to sale or disposal and a stack pack. The gas purchaser installs necessary gas measuring equipment and gathering system for gas. All equipment is adequately fenced.

If the Elizondo-Federal "A" No. 3 is completed as a producer, the same type and size equipment will be installed.

5. Location and Type of Water Supply.

Both fresh water and brine water will be hauled by tank truck to the location. Source of fresh water is Ives water station on N. Canal Street in La Huerta. Source of the brine water is from a nearby brine water well.

6. Source of Construction Materials.

It is not anticipated that construction material from an outside source will be needed for the preparation of the access road and location. The native material will be graded and smoothed with a cat and motor grader then grid rolled. In the event some caliche is needed, it will be purchased from Mr. Elizondo's pit at Elizondo-Federal "A" No. 1.

7. Methods for Handling Waste Disposal.

Upon completion of the well, any plastic material used to line pits or sumps shall be cut-off below ground level, as far down as possible, and disposed of before the pits are covered. All unattended pits, containing liquids, will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.

All waste associated with the drilling operation will be buried in place in a separate trash pit. All garbage and debris left on site will be buried at least 3' deep.

The well "site", if a producer, will be maintained and kept clean of all trash and litter or other foreign material which detracts from the surrounding environment. Equipment will be painted and maintained in accordance with good operating practice.