C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. No turnouts will be necessary.

D. The center line of the new road has been staked and flagged and the route of the road is clearly visible (follows the ranch road).

3. LOCATION OF EXISTING WELLS.

A. Drilling activity within a one-mile radius of the wellsite is shown on Exhibit B. The nearest production is a gas well in the NE½ of Section 23.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. There are no production facilities on this lease at the present time.

B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

A. Any caliche required for construction of the drilling pad and the new access road will be obtained from an existing pit on federally owned surface in the southwest quarter of the northwest quarter, Section 24-T21S-R21E.

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 in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for appropriate approval.

D. Oil produced during operation will be stored in tanks until sold.

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