

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. This lease is undeveloped at present and there are no existing production facilities on the lease.

B. If the proposed well is productive, the necessary production facilities will be located on the well pad and no additional surface disturbance will be necessary.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the well site over existing and proposed roads shown on Exhibit "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. There is a caliche pit in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 8, T. 21 S., R. 27 E. on State minerals and Federal surface. Location of the pit is shown on Exhibit "B". Caliche for surfacing the road and well pad will be trucked from this pit to the well site over the existing and proposed roads.

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 tests will be disposed of in the drilling pits. Oil produced during tests 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, 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. Location of the trash pit is shown on Exhibit "C".