

4. Location of Existing and/or Proposed Facilities - Cont.

B. (Cont.)

All permanent above ground structures and equipment will be painted in accordance with the BLM's painting guidelines, simulating the color of sandstone brown.

The gas purchaser will install necessary gas measurement equipment and gathering system for gas.

5. Location and Type of Water Supply

Both Fresh Water and Brine water will be used to drill this well. Both will be purchased in and near Carlsbad and will be trucked to the well site over existing and proposed roads.

6. Source of Construction Materials

Caliche for surfacing the road and the well pad will be obtained from a State of New Mexico pit located beside R.C. Bennett and J. C. Ryan's Exxon State No. 1, 660' FSL and 1980' FWL, Section 25-19S-28E. This will be approximately a four (4) mile haul.

7. Method of Handling Waste Disposal

- A. Drill cuttings will be disposed of in drilling pits.
- B. Drilling Fluids will be allowed to evaporate in the drilling pits until 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.
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.