

5. LOCATION AND TYPE OF WATER SUPPLY

Fresh water and brine will be trucked to the location from a commercial water supplier.

6. SOURCE OF CONSTRUCTION MATERIALS

Maintainer will be used to groom existing caliche road for workover rig. Additional caliche will be added if needed when production achieved.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be retained in the steel pit.
- B. Drilling fluid will be hauled from steel pits.
- C. Water produced during tests will be hauled from steel pits. Oil produced during tests will be stored in a test tank until sold.
- D. All salts and chemicals will be disposed of in the working pits or hauled from steel pits.
- E. Trash and garbage will be buried in the working pit and covered with a minimum of 24 inches of dirt.
- F. All garbage and debris will be buried or removed from the site following drilling and/or completion operations.

8. ANCILLARY FACILITIES

No ancillary facilities will be required.

9. WELL SITE LAYOUT

- A. The relative location and dimensions of the well location, working pit and the area for the location of major rig components is shown in Exhibit #4.
- B. A slight leveling of the well site may be required. No significant cuts or fills will be required.
- C. We will use steel pits and plastic line the working pits.

10. PLANS FOR RECLAMATION OF THE SURFACE

- A. Following completion of the drilling and testing program, all equipment not needed for operations will be removed. The pit will be filled and the location will be cleaned of all trash and garbage.
- B. If pit contains fluid, it will be fenced until filled.
- C. After abandonment of the well, surface restoration will be in accordance with the requirements of the surface management agency. The pit will be filled and the location will be cleaned. The pit area, well pad and surface location will be ripped to promote revegetation.

11. SURFACE OWNERSHIP

United States Government
Bureau of Land Management
Carlsbad Resource Area
P. O. Box 1778
Carlsbad, New Mexico 88220
(505) 887-6544