3. LOCATION OF EXISTING WELLS

A. Exhibit B shows the locations of the five (5) currently active producing wells on the lease: however, there are no active wells in the Section 1 acreage portion of the lease.

B. Exhibit B also shows the location of the currently active production adjacent to the Section 1 acreage.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. 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 Exhibit A. Note: brine water system will be used to drill the salt sections.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Any caliche required for construction of the drilling pad and the new access road will be obtained from and existing caliche pit located on State-owned surface in Section 29-T19S-R29E.

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 a separate disposal application will be submitted to the USGS for appropriate approval.

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

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

F. 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.