

3. LOCATION OF EXISTING WELLS

- A. Exhibit B shows the locations of the six (6) currently active producing wells on the lease including the Superior Federal No. 8 in the south 320 acres of Sec. 1
- 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/brine 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 an 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.