

7. METHODS OF HANDLING WASTE MATERIAL:

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. After the well is permanently placed on production, produced water will be collected in fiberglass or steel tanks until hauled by transport to an approved disposal system.

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

E. Trash, waste paper, garbage and junk will be stored in a covered, above-ground container. All waste material will be contained to prevent scattering by the wind. Location of the trash container is shown on Exhibit #4. No toxic waste or hazardous chemicals will be produced by this operation. The container will be emptied when full and taken to an authorized disposal facility.

F. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations. No adverse materials will be left on location. The unused portion of the well site will be leveled and restored to BLM specifications. Only that part of the pad required for production facilities will be kept in use. In the event of a dry hole, only a dry hole marker will remain.

G. If required, a portable, chemical toilet will be provided on the location for human waste during the drilling and completion operations.

8. ANCILLARY FACILITIES:

A. No airstrip, campsite, or other facilities will be built as a result of the operations of this well.

9. WELL SITE LAYOUT:

A. Exhibit #4 shows the relative location and dimensions of the well pad, mud pits, reserve pit, and the location and orientation of major drilling rig components. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling and completion operations.

B. Clearing and leveling of the well site will be required. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection. No major cuts will be required.

C. The pad and pit area are staked and flagged.