

Produced Water from any tests will be disposed of in the drilling pits.

Produced Oil from any tests will be stored in test tanks until sold.

Human waste will be handled, treated and disposed of by licensed professionals.

Well Site Layout:

The 400' x 400' area in which the drill site will be located, has been surveyed and flagged. Tentative plans have the 300' x 200' drilling pad situated as shown in the attached "Drilling Rig Pad Schematic."

As stated above, for rehabilitation purposes, approximately 5" of topsoil will be stockpiled on the east side of the location.

Plans for Restoration of the Surface:

After the conclusion of drilling and completion operations, all unnecessary equipment and material will be removed. Prior to filling, any unguarded pits containing fluids will be fenced. Afterwards, when the pits are filled, the location will be cleared of all trash and scrap materials, and the well site will be left in as aesthetically pleasing a condition as possible.

In the event the well is non-productive, the disturbed area will be rehabilitated to Agency requirements as expeditiously as possible.

Other Information:

Topography: The regional terrain is a rolling plain, yet the drill site and access road are essentially level.

Soil: The soil at the well site is sandy clay loam with associated gravel.

Flora and Fauna: Flora consists of range grasses with some yucca and mesquite, while fauna includes reptiles, rodents and birds.

Ponds and Streams: There are no ponds or streams near the well site.

Residences and Other Structures: There are no occupied dwellings within the subject section.

Archaeological, Historical and Other Cultural Sites: Archaeological Services by Laura Michalik of Las Cruces, New Mexico will make a survey that will be submitted separately. We anticipate recommendation of the location as described.

Land Use: The area surrounding the well site is semi-arid rangeland used for grazing.

Surface Ownership: The surface tenant is Corrales Livestock c/o Gayle Bluth, Post Office Box 1591, Carlsbad, New Mexico 88220. The phone number is 505.484.3373.