

3. Location of Existing and/or Proposed Facilities:

- A. Snow Oil & Gas, Inc. operates one separate production facility on this lease. It is as follows:

Elizondo "A" Federal #1 and Tank Battery

- B. If the well is productive, contemplated facilities will be as follows:

- 1) Delaware Completion: An above ground 2" steel or polyline flowline will be laid along the approved road ROW as shown in Exhibit I to the (Delaware) Field Tank Battery in Unit C. The proposed facilities are shown in Exhibit I.

- 2) Delaware Completion: production facilities are located on the caliche pad at the Elizondo "A" Federal #1.

- 3) Any additional caliche which is required for firewalls, etc. will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.

- C. If the well is productive, rehabilitation plans are as follows:

- 1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after the well is completed).

- 2) Caliche from unused portions of the drill pad will be removed. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

- D. In the event that gas production is established, plans for permanent gas lines will be submitted to the appropriate agencies for ROW approval.

4. Location and Type of Water Supply:

The well will be drilled with a fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water