

3. Location of Existing Wells:

See Exhibit "C"

4. Location of Existing and/or Proposed Facilities:

A. Tank Batteries:

If a battery is required it will be constructed on same pad as the well location.

B. Producing Facilities: No additional producing facilities are required.

C. Oil Gathering Lines:

None.

D. Other Lines:

A gas line will be installed by El Paso Gas Company to the well-head (Refer to Exhibit "C").

E. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. Water Supply:

The fresh water will be hauled from the Skelly Oil Company water well in Section 22, T-23S, R-30E. The salt water will be hauled from Teleydene Water Station approximately 7 miles east of Loving on side of Highway 128.

6. Source of Construction Materials:

A. Caliche for surfacing the new road and the well pad will be obtained from an existing pit in the SW/4 NE/4 of Section 1, T-22S, R-31E as shown on Exhibits "B" and "C".

B. Caliche to be purchased from BLM by the dirt contractor.

C. The caliche to be hauled, from the location, go 440' west; south .3 mile; west .4 mile; south .2 mile; and the pit is on the west side of road.

7. Methods for Handling Waste Disposal:

Waste Disposal - Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt.