

- B. 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 system. Rancher W.G. Smith, over whose ranch much of the existing access road passes, has offered to make water available from a privately owned source in Section 12-T24S-R24E. If the volume from this source is inadequate or if it is decided not to obtain water from this source, 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 and described above.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. As indicated in paragraph 1B, above, it is planned to obtain caliche for construction of the drilling pad and the new access road, as well as for some areas of the existing road, from the road bed of the existing access road. If additional caliche is necessary, it is planned to obtain it from an existing caliche pit located on State surface about 1/4 of a mile southwest of the mobile home occupied by Bill Smith, son of rancher W.G. Smith.

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 separate disposal application will be submitted to the U.S.G.S 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.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.