

- (1) For a substantial portion of the proposed route, there is a water line buried (sometimes visible) beneath the surface of the existing ranch road. To avoid damage to this line, a new road will be built parallel to the existing road in this area.
- (2) A mescal pit was observed very close to the left hand side of the existing access road (en route into the location), about 2.9 miles after passing the pipe gate near the Bill Smith mobile home (about 1.6 miles before reaching the wellsite). The access road will be relocated at this point, so that it will by-pass the mescal pit by at least 30 feet.
- (3) The entire road will be 12 feet wide, with side cuts periodically for drainage. Several turnouts will be constructed, and two cattle guards will be installed to replace existing gates. No culverts will be necessary. Over most of the route, the surface is very hard and rocky, thus minimizing the volume of caliche required. However, compacted caliche will be added to those areas of the road where it will be required to produce a satisfactory road surface.

2. PLANNED ACCESS ROAD.

- A. The proposed new access road in the immediate vicinity of the wellsite is estimated to be about 300-400 feet in length and 12 feet in width and will meet the drilling pad at the southeast corner of the pad as shown in Exhibit C. The road will be bulldozed, blade scraped, and covered with compacted caliche, if required to produce a hard road surface. No turnouts or culverts will be required.
- B. In addition, the existing access road at the wellsite will be relocated for a distance of approximately 600 feet, as shown in Exhibit C, inasmuch as the presently existing road passes through the area which will be occupied by the reserve pit. The relocated portion of the road will pass within 20 or 30 feet of the northwest corner of the pit.
- C. The routes of the proposed new road and the relocated existing road are clearly visible. The new road will parallel the left hand border of the drilling pad and will be generally within the 400' corner flags indicating the planned working area. The relocated portion of the existing road will extend in a curved pattern from the northern edge of the 400' X 400' working area to a point roughly in line with the southern edge of the working area, as shown in Exhibit C.

3. LOCATION OF EXISTING WELLS.

- A. The nearest production is approximately a mile from the wellsite, as shown in Exhibit B. There are producing gas wells at 680' FNL and 1360' FWL and at 1650' FNL and 1980' FEL of Section 16-T24S-R24E, and another producing gas well at 660' FSL and 2235' FWL of Section 9-T24S-R24E. Other relatively nearby activity includes a shut-in gas well in Section 2-T24S-R24E, and dry holes in Sections 5 and 17-T24S-R24E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.