

5. LOCATION AND TYPE OF WATER SUPPLY

Both fresh and brine water utilized to drill the subject well will be hauled to location by truck transport over the existing and proposed access road. The source for both fresh and brine water is near Carlsbad, New Mexico.

6. SOURCE OF CONSTRUCTION MATERIALS

Top soil from the location proper will be stock piled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for the actual grading - leveling of the drill site and access road. (See Exhibit III) With the exception of the 6" caliche top coat (compacted), all construction materials will be of local origin. Caliche to be used for topping the roadway and location, is located approximately 3/10 mile southwest of the proposed location in an existing open pit (shown on Exhibit II). The caliche will be transported over the existing and proposed access roadways.

7. METHODS OF HANDLING WASTE DISPOSAL

Drill cuttings will be accumulated in the earthen reserve pit which will be plastic lined. After the pit has sufficiently dried following drilling operations, the solids accumulation will be buried. Trash and garbage will be contained in an earthen pit and buried once drilling operations are completed. Sewage will be collected in a pit at least 6' deep below an outside latrine; suitable chemicals will be added to aid decomposition of the waste material. The pit will be backfilled following completion of drilling operations. All pits will be fenced with normal fencing material to prevent livestock from entering the area.

8. ANCILLARY FACILITIES - None required.

9. WELLSITE LAYOUT

Rig layout and cross section of the planned drilling site are shown on Exhibits III and IV. The reserve pits will be lined with plastic material.

10. PLANS FOR RESTORATION OF THE SURFACE

Following completion of drilling operations, all pits will be filled and the area surrounding the location will be leveled or returned to its natural grade. Top soil will be stored near the drillsite and utilized to rehabilitate the location once drilling operations have ceased. If the well is not commercial, the drillsite and new access roadway will be graded to conform to original topography, top soil spread, and the entire location re-seeded. We will re-seed with seed type (and quantities) as recommended by the BLM. All re-seeding will be done with reasonable effort to establish a more attractive soil stabilizing growth of vegetation than what previously existed at the site. Re-seeding will take place at the first opportunity following completion of operations in accordance with the recommended seasonal seeding periods.

11. OTHER INFORMATION

The area surrounding the drill site has a very gradual sloping trend to the west. The surface supports a sparse growth of grass, sagebrush, and greasewood. Domestic livestock are grazed in the area. The surface at the location (and ROW for access roadway) are state owned.