

(7) Shut-in wells - None

(8) Injection wells - None

(9) Monitoring or observation wells for other resources - None

4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES -

A. Exxon has production facilities at Laguna Grande Unit No. 1.

B. In the event of production, new facilities are shown on Exhibit "B".

1) Proposed location and attendant lines by flagging if off of well pad.

2) Dimensions of facilities are shown on Exhibit "B".

3) Production facilities will be constructed on a caliche pad as shown on Exhibit "B". Flow lines to be laid on the surface along the roads.

C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

5. LOCATION AND TYPE OF WATER SUPPLY -

A. Water will be obtained from a water well in the east part of Section 24, T23S, R29E. This water well is known as the Texaco well and is shown on Exhibit "A".

B. Water will be hauled over existing roads or pumped through a pipeline laid on the surface along existing roads.

C. No water well will be drilled.

6. SOURCE OF CONSTRUCTION MATERIALS -

A. Caliche will be obtained from the reserve pit, if available. In the event no caliche is encountered, it will be obtained from a pit near the Texaco well.

B. No construction material will be used from Federal lands.

C. Caliche secured from private sources will be used where needed on the road and drillsite.

D. All access roads are shown on Exhibit "A".

7. WASTE DISPOSAL -

(1) Drill cuttings will be disposed of in the reserve pit.

(2) Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.