

1. EXISTING ROADS. 1. attached Exhibit #3 which is a composite of portions of the Carlsbad Caverns East and West Carlsbad New Mexico quadrangle sheets shows all existing roads in the area of the proposed well. Existing lease roads used will be maintained by blading and watering as necessary. The proposed wellsite is approximately 23 miles SW of Carlsbad. To reach the proposed wellsite; proceed from downtown Carlsbad on U.S. Highway 62 and 180 for 1½ miles to Stuckey's. Turn right on paved road for nine miles to stop sign. Turn right on paved road for an additional eight miles and turn left on caliche road at sign reading W. A. MONCRIEF, JR. Continue on this road for 1.4 miles to fork in road. Take left road and proceed 6/10 mile to another fork in road and turn right. Go 2/10 mile to fence and cattle guard. Proceed through cattle guard and turn right along fence line for 3/10 mile and turn left for 1/2 mile to Moncrief #1 Marathon State gas well. Proceed beyond gas well on primitive road for 1/2 mile to location for #2 Baldrige Federal.
2. PLANNED ACCESS ROADS. The proposed new access road in the vicinity of the wellsite is estimated to be about 1/2 mile in length and 12' in width. It will be bulldozed, scraped and covered with compacted caliche. No turnouts are planned. No fences will be cut and one cattle guard will be required.
3. LOCATION OF EXISTING WELLS. Existing wells are shown on the attached plat. (Exhibit #3).
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, ETC. There are no production facilities on this lease at this time. If 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 produces gas.
5. LOCATION AND TYPE OF WATER SUPPLY, ETC. It is planned to drill the well with fresh water which will be obtained from commercial sources and hauled to the location over the existing and proposed roads shown on Exhibit #3.
6. SOURCE OF CONSTRUCTION MATERIALS. Road surfacing caliche will be supplied from the existing pit on State Lands in the NW 1/4 of Section 2, T24S, R24E, NMPM as shown on the attached Exhibit #3.
7. METHODS FOR HANDLING WASTE DISPOSAL. Cuttings from the well bore will be contained in conventional earth reserve pits. The top soil will be used in the pit walls and used to cover the pits after they have been dried and leveled.

Garbage will be burned in a burner pit dug in the reserve pit excavation in an area cleared of all flammable vegetation and materials.

The only salts and chemicals anticipated to be used will be in the drilling mud and will be buried after the mud in the reserve pit with the cuttings has dried.

Sewage will be disposed of into a temporary septic tank dug at the rig trailer house. This will be filled with dirt, covered with top soil and leveled at the completion of the well.