

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. This lease is undeveloped at the present time, and there are no existing production facilities.
- B. If the proposed well is productive, necessary production facilities will be located on the well pad and there will be no additional surface disturbance.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is not contemplated that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site over existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche needed for construction work will be taken from an existing pit on privately owned land in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 35, T.24 S., R.28 E., Eddy County, New Mexico, and will be trucked over existing and proposed roads.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits.
- D. Oil produced during tests will be stored in test tanks until sold.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24" of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".
- F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None necessary.