

5. Location and type of water supply Fresh water to be hauled from
Carlsbad. Brine water to be hauled from Champion Brine Sales 3 1/2
miles east and 2 1/2 miles south of Carlsbad.

6. Source of construction material Exhibit "B" shows approximate location
of caliche pit.

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 pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown in Exhibit "C".
- F. Trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations. (Note: All trash left on well site to be removed or buried within 30 days must be contained to prevent scattering.)

8. Ancillary facilities None Required

9. Well site layout Exhibit "C" shows the approximate dimensions of the
well pad and reserve pit as well as the relative location of major rig
components. Only minor levelling of the well site will be required. The
reserve pit will be lined with plastic. The pit and pad area have been
staked and flagged.