Multi-Point Surface Use and Operations Plan Malaga 1 Fed Com No. 1 Page 2

- 5. LOCATION AND TYPE OF WATER SUPPLY.
 - A. It is planned to drill the well with both fresh water and brine water systems. Both types of waters will be hauled to the location by truck over existing roads. Both types of waters will be obtained from commercial sources.
- 6. SOURCES OF CONSTRUCTION MATERIALS.
 - A. Any caliche required for construction of the drilling pad will be obtained from a pit located on the wellsite.
- 7. METHODS OF HANDLING WASTE DISPOSAL.
 - A. Drill cuttings will be disposed of in the reserve pits.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
 - C. Water produced during operations will be either placed in the reserve pits and allowed to evaporate or collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the USGS for appropriate approval.
 - D. Oil produced during operations will be stored in tanks unit1 sold.
 - E. Human waste will be buried.
 - F. 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.
 - G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.
- 8. ANCILLARY FACILITIES.

None required.

- 9. WELLSITE LAYOUT.
 - A. Exhibit G. shows the dimensions of the well pad and reserve pits, and the location of major rig components.
 - B. The ground surface of the location is sloping down toward the southwest. Cutting will be required to level the pad area, which will be covered with at least six inches of compacted caliche.