

- B. Producing well - Lonesome Dove Federal #1, located approx. 1 mile southeast of the proposed location (660' FSL & 1810' FWL in Section 26-23S-23E), operated by Yates Energy Corporation.
- C. Completing well - Federal "AK" #1, located approx. 1/2 mile southeast of the proposed location (660' FNL & 1450' FEL in Section 34-23S-23E), operated by OXY USA, Inc.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no production facilities on this lease at this time.
- B. If the well proves to be commercial, the necessary production facilities will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. It is planned to drill this well with fresh and/or brine water. The water will be obtained from commercial sources and trucked to the location via the proposed route.

6. SOURCES OF CONSTRUCTION MATERIALS

- A. Caliche, if possible, for surfacing the road and the well pad will be taken from the pad area.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be disposed in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area only if cattle are run in this pasture.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to BLM for approval.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Oil produced during operations will be stored in tanks until sold.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.