

5. Location and type of water supply: Water will be  
\*\* purchased locally from a private source and trucked over the  
access roads.

\*\*ALTERNATIVE WATER SOURCE: Would be to use water from the Laguna  
Quatro Salt Lake. Necessary water analysis would be taken to  
assure compatibility with drilling procedures. Should  
compatibilities, government regulations, and permits be approved,  
Strata Production would set a pump with fast line to the reserve  
pit. Strata anticipates approximately 1700 barrels of fluid to  
be used from the lake. There would be approximately 3000' of  
temporary right-of-way from the Laguna Quatro to a location of  
860' FNL & 2210' FEL of Section 13, T23S, R29E.

6. Source of Construction Materials:

- A. If needed, caliche for surfacing the road and location  
will be obtained from the nearest source.

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. All pits will be fenced with normal fencing materials  
to prevent livestock from entering the area.  
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. Will set trash trailer for trash & debris.  
H. All trash and debris will be removed from the wellsite  
within 30 days after finishing drilling and/or  
completion operations.

8. Ancillary Facilities:

- A. None required.

9. Wellsite Layout:

- A. Exhibit "B" shows the dimension of the well pad and  
reserve pits.