6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche for the road and pad will be taken from a Federally-owned pit located in the Section 18, T24S, R29E.

7. METHODS OF HANDLING WASTE DISPOSAL:

A closed loop mud system will be utilized eleminating the need for a reserve pit.

Drill cuttings will be encapsulated in plastic and burried 2' below ground level.

Water produced during tests will be saved and hauled to a disposal well. Waste water will be saved and hauled to a disposal well. Oil produced during tests will be in test tanks until sold.

Current laws and regulations pertaining to the disposal of human waste will be complied with.

Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion of operations.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

Exhibit "B" shows the relative location and dimensions of the well pad, steel mud pits, buriel pits and location of major rig components.

Only minor levelling of the well site will be required.

The cuttings will be encapsulated in plastic and burried 2' below ground level.

The pad area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are filled.

After abandonment of the well, surface restoration will be in accordance with current Federal laws and regualtions. Location will be cleaned, and the well pad will be removed to promote vegetation.