

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

- A) Existing facilities within one mile owned or controlled by lessee/operator:

Oil/Gas production facilities are located 2635' north-northeast at the Poker Lake Unit #140 wellsite.

(See Exhibit A)

- B) New Facilities in the Event of Production:

A flowline will be layed to the existing production facilities located at our PLU #140 wellsite. Additional separators/treaters will be added as necessary.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (See Point 10).

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water will be hauled from Diamond and Half Water Station 35 miles east of Carlsbad, New Mexico. Brine water will be hauled from Bass' Poker Lake Unit #140 battery or from commercial facilities.

- B) Water Transportation System

Water hauling to the location will be over existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

If not found on location, source of caliche will be the nearest open pit approved by BLM.

- B) Land Ownership

Federally owned.

- C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

- D) Access Roads

See Exhibit "A" and Exhibit "B".