3. LOCATION OF EXISTING WELLS:

   A. The well locations in the vicinity of the proposed well are shown in Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

   A. There are four (4) producing wells on this lease at the present time.

   B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

   A. It is planned to drill the proposed well with a fresh water system, where possible (see Mud Program Exhibit "G"). The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit "A" and "B". All Brine water will be hauled by truck over these same roads.

6. SOURCES OF CONSTRUCTION MATERIALS:

   A. Any caliche required for construction of the drilling pad and the new access road will be obtained from an existing pit on federally owned surface shown on Exhibit "A".

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 collected in tanks unitl 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 until sold.

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

   F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with aminimum of 24 inches 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.