

5. Location and type of water supply Fresh water is to be hauled from the city of Carlsbad. Brine water is to be hauled from Champion Brine Water Station 3½ miles east and 2½ miles south of Carlsbad.

6. Source of construction material Closest caliche source is located in the center of the NW¼ of SE¼ of Sec. 35, T-24-S, R-30-E

7. Methods of handling waste disposal:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

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

E. Trash, paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste materials will be contained to prevent scattering by the wind. Location of trash pit is shown in Exhibit "D".

F. Trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations. (Note: All trash left on well site to be removed or buried within 30 days must be contained to prevent scattering.)

8. Ancillary facilities None required.

9. Well site layout Exhibit "B" shows the dimensions of the well pad and reserve pit. The relative location of the major rig components, trash pit, burn pit, etc., are also shown. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary. The reserve pit will be lined. The pit and pad area have been staked and flagged.