

#1 are shown on Exhibit "A".

7. Shut-In Wells - None.

8. Injection Wells - None

9. Monitoring or observation wells for other resources - None.

4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES -

A. Production facilities for the Scheidt Federal #1 and Milepost #1 are located on the respective drillsites.

B. In the event of production, new facilities are shown on Exhibit "B".

(1) Proposed location and attendant lines by flagging if off of well pad shown on Exhibit "B".

(2) Dimensions of facilities are shown on Exhibit "B".

(3) Production facilities will be constructed on drillsite pad.

(4) Equipment and pit will be fenced and flagged to protect livestock and wildlife, if necessary.

C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

5. LOCATION AND TYPE OF WATER SUPPLY -

A. Water will be used from one or all of the three following sources:

(1) Water will be obtained from Butcher Spring in the center of Section 20 as shown on Exhibit "A" provided there is sufficient water in the pond created by the spring. In the event Butcher Spring is the water source, water will be transported by truck or pipeline to the location.

(2) Water may be obtained from the rancher's water well located in Section 29 as shown on Exhibit "A" which is approximately one mile east of the drillsite. If water is obtained from this source, it will either be hauled along the existing access road or pumped through pipeline laid along the road.

(3) The third possible water source will be a water well drilled by Exxon located approximately one-quarter mile south of the State line in Culberson County shown on Exhibit "A". If water is used from this source, it will either be trucked along existing roads