

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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

See Exhibit A

- B) New Facilities in the Event of Production:

None

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

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 the surrounding topography - See Point 10.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water and brine will be hauled from the city of Carlsbad. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad.

- B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

Existing materials will be used for road and location.

- 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

In this area, no additional caliche is anticipated.