

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are presently no production facilities on this lease.
- B. Should this well be productive, all production facilities and flowlines will be located on the well pad. Adequate fencing will be used to protect livestock and wildlife.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water required for drilling operations will be purchased and trucked over existing and proposed roads to the drill site.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Caliche is to be excavated and trucked over existing and proposed roads from an existing pit located on Federal land in the NW $\frac{1}{4}$ -SW $\frac{1}{4}$ , Section 7 - T24S - R32E, Lea County, New Mexico. See Archaeological Report and Exhibit "B".

7. METHODS FOR 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, waste pater, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Locations of trash pits are shown on Exhibit "D". (Alternate - all trash, junk and other waste material will be contained to prevent scattering and will be removed and deposited in an approved sanitary landfill.)