PATTON "17" FEDERAL No. 12 SURFACE USE AND OPERATING PLAN PAGE 3 OF 6

3. Location of Existing Wells:

Exhibit No. B shows all existing wells within a one-mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

- a) Pogo Producing Company operates a production facility on the Patton "17" Federal lease. It is located on the well pad for well # 1.
- b) If the well is productive, contemplated facilities will be as follows:
 - A 3" poly-line will be laid along approved access roads to battery.
- c) An electric power line will be constructed as shown on Exhibit C-1.

5. Location and Type of Water Supply:

The well will be drilled with a combination of brine and fresh water mud system as outlined in the drilling program.

The water necessary for drilling operations will be purchased and trucked to the wellsite, or will be moved to the wellsite by way of a temporary pipeline laid on the ground alongside existing and proposed roads.

6. Source of Construction Materials:

Caliche needed for the road and well pad will be taken from the proposed reserve pit. An alternate plan will be to obtain caliche from a borrow pit located within the 400' x 400' archaeologically cleared tract at the proposed well site. If sufficient quality or quantity of caliche is not available, it will be transported to the proposed road and well site from an existing BLM approved caliche pit. The BLM will be notified and consulted if caliche must be obtained off location.

7. Method of Handling Waste Disposal:

- a) Drill cuttings will be disposed into the reserve pit.
- b) Drilling fluids will be contained in the reserve pit. The reserve pit will be an earthen pit, approximately 150' x 150' x 6' deep and fenced on three sides prior to drilling. The fourth side will be fenced immediately following rig removal. The reserve pit will be lined with plastic (5-7 mil thickness) to minimize loss of drilling fluids.
- c) Water produced from the well during completion may be disposed into the reserve pit or a steel tank (depending upon rates).