

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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

A battery facility is being constructed on the Poker Lake Unit #153 pad approximately ½ mile northwest.

- B) New Facilities in the Event of Production:

Will use the facilities being built on Poker Lake Unit #153 pad and lay a flowline to those facilities

- 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

Brine water will be hauled from commercial facilities. Fresh water to be hauled from Carlsbad, New Mexico; Mills Ranch; or Diamond and Half Water Station.

- B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

Surface caliche will be used if possible. If not found on location, caliche service will be nearest BLM – approved open pit.

- B) Land Ownership

Federally owned land for both surface locations and bottom hole location.

- C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

- D) Access Roads

See Exhibit "A", Exhibit "B", and survey plats.