

5. Location and Type of Water Supply

Fresh and brine water used in drilling and completion operations will be purchased from independent trucking companies located in Loving or Carlsbad, New Mexico. The water will be hauled over existing and new roads to the location.

6. Source of Construction Materials

Caliche for the road and well pad construction will be from the designated caliche pit.

7. Methods of Handling Waste Disposal

- A. Drill cuttings will be handled in the reserve pit and buried during reclamation operations.
- B. Trash, waste paper, garbage and junk will be contained in a fenced trash trailer to prevent scattering by the wind and hauled to a municipal sanitary landfill. The supplier will pick up all sacked drilling mud. The drilling contractor will haul away any chemicals that they used while drilling.
- C. Toilet facilities will be provided for human waste. Sewage disposal facilities will be in accordance with State and Local Regulations.
- D. Drilling fluids will be handled as follows: The free water will be either hauled to the reserve pit of the next drilling well for re-use or hauled to a permitted SWD. If any mud is hauled away it will be disposed of at an approved mud disposal site. Remaining drilling fluids will be allowed to evaporate in the reserve pit until dry enough for reclamation.
- E. Any fluids produced during swab testing the well while the pulling unit is on location will be collected in a test tank. Produced water will be hauled to a permitted SWD. Oil produced will remain in the test tank until sold and hauled from the site.

8. Auxiliary Facilities

No new facilities will be built during drilling of this well. A trailer will be used as an office and temporary living quarters for wellsite supervision.

9. Wellsite Layout

- A. Exhibit "7" shows the proposed wellsite layout and dimensions. Major rig components and reserve pits are shown.
- B. No significant cuts or fills will be required.
- C. The reserve pits will be plastic lined with minimum 6 mil double x laminated plastic. The liner will overlap the pit dikes and be anchored down. The reserve pit will be fenced on three sides during drilling operations. After drilling operations have ceased the fourth side of the pit will be fenced.

10. Plans for Reclamation of the Surface

- A. In a timely manner, after finishing the drilling and/or completion operations all equipment and other material not needed for production operations will be removed. The location will be cleared of all trash and debris then any ruts, etc. will be filled. The cellar will be filled around the wellhead.