7. METHOD OF HANDLING WASTE DISPOSAL.

A. Drill cuttingswill be disposed of in the reserve pits.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

C. Water produced during operations will be disposed of in the reserve pits. Oil produced during operations will be stored in tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, 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.

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

G. All pits will be fenced with normal fencing material to prevent livestock from entering.

8. ANCILLARY FACILITIES.

A. None required.

9. WELLSITE LAYOUT.

A. Exhibit E shows the relative location and dimensions of the well pad, reserve pits and major rig components.

B. The ground surface at the wellsite is a nearly-level cobble-covered stream terrace with minor irregularities created by alluvial agents. Very minor cut and fill will be required to level the location. The natural cobble surface will provide necessary surfacing materials.

C. The reserve pits will be plastic-lined.

D. The pad and pit area have been staked and flagged and the access road will come to the south edge of the pad.

10. PLANS FOR REHABILITATION OF THE SURFACE.

A. After completion of drilling and/or completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk, so as to leave the wellsite in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they have been filled.