

Hanley Petroleum Inc.

Union 35 Federal Well #6
660' FSL & 660' FWL
Section 35, Township 22-S, Range 28-E
Eddy County, New Mexico

Multi-point Surface Use and Operations Plan (cont.)

7. Methods of Handling Waste Disposal

- A. Drilling cuttings will be disposed of in the drilling pits.
- B. Drilling fluid will be hauled to subsequent drilling locations and the pits allowed to evaporate until dry. Oil Base drilling fluids, if used, will be returned to the mud company.
- C. Water produced during the tests will be disposed of in the drilling pits and hauled to an approved salt water disposal well.
- 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 placed in a covered bin and hauled off.
- F. All trash and debris will be buried or removed from the wellsite within 30 days after completion of operations.
- G. All pits will be lined.

8. Ancillary Facilities

None required.

9. Wellsite Layout

- A. Exhibit C shows the relative location of the pad, mud pits, reserve pit and major rig components.
- B. The well site is located on a relatively flat area. The reserve pit will be located Northeast of the well as staked. All location disturbances will be contained within the 400' X 400' area covered by the archaeological survey.