Surface Use and Operations Plan Page Two

5. Location and Type of Water Supply:

The water supply will come from the San Juan River near Bloomfield, New Mexico, and hauled to the well site by a jobber.

6. Source of Construction Materials:

All construction materials for this location and access road are to be materials accumulated during construction of the location and access road. No additional construction materials from other sources are anticipated.

7. Waste Disposal Handling:

Drill cuttings will be covered after the reserve pit is dried up. All liquid drilling waste will be stored in the reserve pit. All burnable trash will be burned in a suitable burn pit with a steel screen across the pit. Any produced fluids will be caught in a test tank. All non-burnable refuge will be buried to a depth of 5' upon completion of drilling and completion of operations. A sanitation facility will be provided. There are no plans to line the reserve pit. Immediately upon completion of the well, the location will be policed and all waste materials will be picked up.

8. Ancillary Facilities:

There will be no proposed camps or airstrips at the location. There will be one small house trailer to be used by drilling supervisors. These are shown on the attached map.

9. Well Site Layout:

A cross section of the drill pad is shown on the attached schematic. Location of mud tanks, reserve pit, trash burn pit, pipe racks, living facilities, soil materials and stockpiles are shown on the attached schematic. The rig will face the west with the reserve pit to the south. Parking area will be on the east side. The access road will be from the northeast. The location will require a maximum cut of 6" at the well bore.