6. SOURCE OF CONSTRUCTION MATERIALS.

   A. Caliche required for road and drilling pad surfaces will be obtained from an existing pit on federally owned surface, in Section 5-T20S-R23E, adjacent to the existing road. This pit is approximately 2/10 of a mile from the beginning point of the proposed new access road.

7. METHODS OF HANDLING WASTE DISPOSAL.

   A. Drill cuttings will be disposed of, in the reserve pits, which will be plastic-lined.

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

   C. All pits will be fenced with normal fencing material to prevent livestock from entering the area.

   D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the USGS for approval.

   E. Oil produced during operations will be stored in tanks until sold.

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

   G. 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 materials will be contained to prevent scattering by the wind.

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

8. ANCILLARY FACILITIES.

   A. None required.

9. WELLSITE LAYOUT.

   A. Exhibit C shows the relative location and dimensions of the well pad and reserve pits.

   B. The ground surface at the wellsite is almost completely flat, and virtually no cut or fill will be required to construct either the drilling pad or the reserve pits. The drilling surface will be covered with 6 inches of compacted caliche.

   C. The reserve pits will be plastic-lined.

   D. The pad and pit area has been staked and flagged.