Red Rock "NB" Federal #4 Page 2

B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Additional construction materials may not be needed for drilling the well or constructing the access road into the location during drilling. The surface soil materials may be sufficient. If additional material is needed, they will be bought from a private source.

B. No construction materials will be taken off federal land except that taken off location which is on federal lands.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will 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 collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.

D. Oil produced during operations will be stored in tanks until

sold.

E. Current laws and regulations pertaining to the disposal of

human waste will be complied with.

F. 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.

G. 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.