7. Methods Of Handling Waste Disposal

Drill cuttings will be disposed of in the reserve pits.

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

Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.

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

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

All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. Ancillary Facilities

None.

9. Well Site Layout

A 400' X 400' area has been staked and flagged.

Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.

The reserve pits will be plastic lined.

10. Plans For Restoration

After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.

Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.

If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. Surface Ownership

Bureau of Land Management, Roswell, New Mexico.

12. Other Information

Topography Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

The primary surface use is for grazing.