D. Sewage from living quarters will drain into holes with a minimum depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. Ancillary facilities:

A. No camps or airstrips to be constructed.

9. Well site layout:

A. Exhibit "D" shows location and rig layout.
B. This exhibit indicates proposed location of reserve and trash pits; and living facilities.
C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be lined.
D. The reserve pit is to be lined with PVC or polyethylene liner. The pit liner will be 6 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The forth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. Plans for restoration of surface:
Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole. However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountered to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas, which are not required for production facilities.

11. Other information:

A. Topography consists of sand dunes, sandy soils with native grasses consisting Sand Sage, Scrub Oak Snakeweed and mesquite. Drainage is westerly toward the Querecho Plains.
B. The surface is owned by The Bureau of Land Management, U.S. Department of Interior.
C. An archaeological survey will be conducted and the results will be submitted to the Bureau of Land Management, Carlsbad, New Mexico.