

1. EXISTING ROADS:

- A. Exhibit #2 is a portion of a map showing the location of the proposed well as staked.
- B. Exhibit #2A is a topo map showing existing pertinent roads in the vicinity of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The lease road to be constructed will be about 700' +/- long and about 12' wide.
- B. Surfacing Material: Caliche, watered, compacted and graded.
- C. Maximum Grade: Less than one per cent (1%).
- D. Turnouts: None necessary.
- E. Drainage Design: Any new road will be crowned with drainage to the side.
- F. Culverts: None needed.
- G. Gates and Cattleguards: None will be necessary.
- H. Cuts and Fills: Very little necessary.
- I. Existing access roads to the proposed wellsite will be used in their present state. Off-lease access approval will be executed under the Quahada Fed. # 1 location.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a one-mile radius are shown on Exhibit #3. There are no disposal, injection, and/or observation wells.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Necessary production facilities for this proposed well is shown in Exhibit #5.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is not planned that a water supply well will be drilled. Water necessary for drilling operations will be purchased from commercial water stations, and will be moved to the well site by truck.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche needed for construction work will be taken from commercial sources located in the area.

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. After the well is permanently placed on production, produced water will be collected in fiberglass or steel tanks until hauled by transport to an approved disposal system.
- D. Oil produced during tests will be stored in test tanks until sold.