

2. PLANNED ACCESS ROAD.
 - A. Only 1800' of new access road will be required.
3. LOCATION OF EXISTING WELLS.
 - A. There are numerous producing wells within two or more miles of the proposed location.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.
 - A. There are no production facilities on this lease at the present time.
 - 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 of 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 privately owned or commercial sources and will be hauled to the location by truck over the existing and proposed roads described in paragraph 1, above.
6. SOURCE OF CONSTRUCTION MATERIALS.
 - A. Caliche for road and drilling pad surfaces will be obtained, in part or totally, either from the existing caliche pit. Arrangements have been made between C & E Operators, Inc. and Mr. Tapp for the opening of such a pit on his private surface, at a location to be mutually selected, relatively close to the drillsite.
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.