

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the well pad will be obtained from an existing pit in SE/4, SE/4, Section 33, T-7-S, R-37-E, approximately 1/4 miles Northwest of the proposed well location. The pit is on land owned by Mr. Ross Ainsworth of Milnesand, New Mexico. Location of the pit is shown on Exhibit "B".

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of soil. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "C".
- F. 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.

9. WELLSITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit and location of major rig components.
- B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area has been staked and flagged.