

7. Waste Disposal:

All drilling fluid and cuttings will be contained within the reserve pit. A trash pit will be dug and all garbage and trash will be buried. Utility holes will be drilled and used for human waste.

8. Ancillary Facilities:

No ancillary facilities will be required for this operation.

9. Wellsite Layout:

Exhibit #4 shows the wellsite layout. The reserve pit will be fenced prior to the commencement of drilling operations.

10. Restoration of Surface:

Topsoil will be stripped to a depth of 6" and piled in the NE corner of the location. The reserve pit will be back filled when it is sufficiently dry and will not be utilized for production operations. In the event of a dry hole, the location will be ripped, topsoil spread, and the location will be seeded with a grass mixture recommended by the BLM.

11. Surface and Mineral Ownership:

The minerals and surface are owned by the Federal government.

The surface is leased for grazing purposes by:

Jerry C. Bostick
2809 East 2nd Street
Roswell, New Mexico 88201

12. Other Information:

An archaeological survey was conducted at the time of staking. Nothing of historical or prehistoric interest was encountered. A copy of the report has been filed with the BLM in Roswell.

13. Lessee's or Operator's Representatives:

Celeste C. Grynberg
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