B. If the well is productive, the tank battery and flow lines will be located on the well pad and no additional surface disturbance will occur. The battery will be similar to those described in "A" above.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be purchased and trucked to the wellsite over the existing and proposed roads shown on Exhibits "A" and "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and well pad will be obtained from existing pits on BLM land in Section 34, 1/2 mile to the north and in Section 3, 1/2 mile to the south.

Section 34, SW/4 NE/4, red "x" 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 dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "D".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.