

James P. Dunigan: Carper State #1.

Oxy USA, Inc: State "CB" #5, Cockburn State #A-1, Fee MA "B" #1, Barney Cockburn State #2, and the Williams #A-1.

Williams Oil Company: Williams #1.

Collier RD: Williams #1X.

Phillips Petroleum Co., Phillips State #1, and #2.

4.Existing and/or Proposed Facilities:

If, upon completion, the well is a producer, a flowline will be laid directly to the existing production facilities. A plat and updated facilities diagram will be provided upon completion.

5.Location and Type of Water Supply:

Fresh water will be purchased from the Conoco fresh water station and trucked to the location (approximately 2 miles). Brine water will be trucked to location from a commercial source.

6.Construction Materials:

Construction materials, if required, will be obtained from an active privately owned caliche pit located in the NE/4 of Section 31 - T17S - R33E NMPM (See Exhibit "E").

7.Methods for Handling Waste Material:

- A. Drill cuttings will be buried in the trench pit (See Exhibit "G"). The trench pit will be fenced on three sides during drilling operations and the fourth side fenced upon removal of the drilling rig.
- B. Drilling fluids, water, drilling mud, and tailings will be handled in the trench pit. Fluids will be allowed to evaporate for the specified time limit. Remaining fluid will be hauled to an approved commercial disposal.
- C. Fluids produced during completion and testing will be collected in a test tank, and hauled to an approved commercial disposal site. Any spills of oil, salt waters, or other noxious fluids will be cleaned up and removed.