

PENWELL ENERGY, INC.
CHECKERS "24" FEDERAL #5
SURFACE USE PLAN

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- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethylene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded, as close as possible, to BLM requirements.

8. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly. The pit area will then be leveled and contoured to conform, as closely as possible, to the original and surrounding area. Drainage systems, if any, will be reshaped, as close as possible, to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match, as close as possible, the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

9. OTHER INFORMATION:

- A. Topography: The proposed well site and access road consists of stabilized sand dunes. The most common plant varieties in the region are shin oak, mesquite, plains yucca, broom snakeweed and various grasses.
- A. Soils in the region consist of loamy sands which belong to the Kermit-Berino association.
- B. Flora and Fauna: The vegetation cover is a poor grass cover of three-awn, sand and spike dropseed, bluestem and other misc. native grasses along with small cedar trees. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.