

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the road and the well pad will be obtained from an existing pit in Lot 3 of Sec. 4, T-21-S, R-32-E. The pit is approximately 700 feet north of New Mexico Federal No. 1 well, operated by Cleary Petroleum Corporation. The pit is on land owned by The Bureau of Land Management. Location of the pit is shown on Exhibit "B". Royalty will be paid to The Bureau of Land Management by the road and location construction company.

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 pits are 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.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, mud pits, reserve pit, trash pits and location of major rig components.

RECEIVED

MAY 12 1977

U.S. CONSERVATION COMM.  
FARGO, N. M.