Natomas North Ameri, , Inc. Supron Federal "14" Well No. 1 Page 2

- D. Culverts: None required.
  - E. Cuts and fills: There should be very little if any cuts and fills in the proposed access road due to the level surface.
  - F. Gates, Cattleguards: None will be required.
- 3. LOCATION OF EXISTING WELLS:

A. Existing wells within a one-mile radius are shown on Exhibit "B".

- 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
  - A. There are no production facilities on this lease at the present time.
  - B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.
- 5. LOCATION AND TYPE OF WATER SUPPLY:
  - A. It is planned to drill the proposed well with both fresh and brine water. The water will be obtained from commercial sources and will be transported over the existing and proposed access roads.
- 6. SOURCE OF CONSTRUCTION MATERIALS:
  - A. Caliche for surfacing the road and the well site pad will be obtained from an existing pit located on Federal land in the SW½, SW½, of Sec. 22, T23S, 34E. This pit was cleared by New Mexico Archaeological Services, Inc. on January 9, 1980. Top soil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for those necessary for actual grading and leveling of the drill site and access road. See Exhibit "A" for the caliche pit location.
- 7. METHODS OF HANDLING WASTE DISPOSAL:
  - A. Drill cuttings will be disposed of in the reserve pits, and covered.
  - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
  - C. All pits will be fenced with normal fencing material to prevent livestock from entering the area.
  - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for approval.