

G. The proposed road is staked.

3. LOCATION OF EXISTING WELLS

See Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Tank Batteries: A new tank battery will be constructed on the proposed pad.
- B. Producing Facilities: Other than the tank battery, no new producing facilities will be required.
- C. Oil Gathering Lines: Shell Oil has a line 350' east of location. EPNG has a line 250' north of the location.
- D. Other Lines: Conoco has a water line 110' south. The electrical distribution line will be 990' long in 330' span from an existing primary. Electrical construction schematics are attached.
- E. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location. Rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. WATER SUPPLY

Water will be hauled over existing roads from Jal, New Mexico.

6. SOURCE OF CONSTRUCTION MATERIALS

Caliche will be hauled from a pit in the NE/4 of NE/4, Sec. 34, T23S, R36E. The pit is one mile north, then 1.3 miles west on the north side of the road.

7. METHODS FOR HANDLING WASTE DISPOSAL

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.