TEXAS PACIFIC OIL COMPANY, INC. MYERS "B" WELL NO. 4 2310' FNL & 660' FWL, SECTION 13, T-24-S, R-36-E LEA COUNTY, NEW MEXICO LEASE NO. 30-012611

Page Two

3. Location of Existing Wells

The existing wells surrounding this lease are shown on the attached map (Exhibit "B").

4. Location of Existing Facilities

- A. Exhibit "A" shows tank battery location.
- B. New Facilities New tanks will be added to present battery and no additional surface disturbance will occur. The flowlines will be 2 3/8" steel lines laid on the surface.
- C. The nearest power line is at Myers "B" Well No. 1, 990' east of this location. If well is productive and electric service is needed, the right-of-way will be along the proposed new road.

5. Location and Type of Water Supply

The water for drilling this well will be purchased from commercial supplies and trucked to the location over the route described in Item (1) above.

6. Source of Construction Materials

Caliche for the well pad and road will be obtained from an existing pit located in the NE/4 NE/4 Section 23, T-24-S, R-36-E. This pit is located on land owned by Mr. Fred Cooper of Jal, New Mexico.

7. Methods of Handling Waste Disposals

- A. Drill cuttings will be disposed of in the drilling pit.
- B. Drilling fluids will be allowed to evaporate in the drilling pit until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pit. Oil produced during test will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to 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" of dirt. All waste material will be contained to prevent scattering by the wind.

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