

3. LOCATION OF EXISTING WELLS:

A. There are no existing wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are no existing production facilities.

B. If production is encountered, a temporary facility will be established on the drill pad, and if warranted a production facility would be built at a later day in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling will be purchased from commercial sources and transported to the well site over the existing roads shown on exhibit "A".

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and the well pad will be obtained from a commercial pit belonging to Mr. Rubert Madera located in the NE $\frac{1}{4}$ of SW $\frac{1}{4}$, section 7 and transported by truck to the site.

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 remain 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 is shown on Exhibit "C".

F. All trash and debris will be buried or removed from the wellsite within thirty days after finishing drilling and/or completion of operations.