

3. Location of Existing Wells

See Exhibit "C".

4. Location of Existing and/or Proposed Facilities

- A. Tank Batteries: John Yuronka's battery is 3/4 mile SW of the location. A new battery for this well will be erected on the proposed pad.
- B. Producing Facilities: No new producing facilities will be required other than the tank battery.
- C. Oil Gathering Lines: EPNG has a line 800' NW of location. Gas Company of New Mexico has a line 0.5 miles west of the location.
- D. Other Lines: None
- 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 from Jal, New Mexico.

6. Source of Construction Materials

Caliche will be hauled from a pit located in the NW/4 of NW/4, Sec. 17, T-24S, R-37E. The pit is one mile west of the location 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.

8. Ancillary Facilities

None

9. Well Site Layout

Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, reserve pit, etc. The reserve pit will be lined with plastic. The pad and pits are staked.