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						NMLC0647		
A	PPLICATION FOR PER		OR REEN	TER		6. If Indian, All	otee or Tribe Na	ame
Type of Work						7. Unit or CA A	greement Name	and No
	X DRILL	REENT					-	/
	Oil Well Gas Well	Other	X Single Z	one Multiple Zor	ne		Rose 23 Fe	
Name of Operator	Ŧ					9. API Well No	472	45
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	dland TV 70702		50. 1	432-686-3689	046)	10. Field and Poo	-	
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At surface 600 FNI	& 944 FWL, NWNW (D), Sec 23 T2	265 R3TEa	ndard Location		Sec 23, T		Survey of Ale
At proposed prod. zone	230 FNL & 1966 FWL	, NWNW (D), S	Sec 14 T26	5S R31E				
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	ection from nearest town or p					12. County or Pa		
	Approximately +/-	<u>33 miles Sout</u>				Ed		NM
Distance from proposed	*		16.No. of	Acres in lease	17.Sp	acing Unit dedic	ated to this well	
location to nearest property or lease line, ft	600'OL,	50' PP						
(Also to nearest drg. un		50 11		2560		1	.60 ac	
Distance from proposed	proposed location* 19. Proposed Depth				20.B	20.BLM/BIA Bond No. on file		
to nearest well, drilling, applied for, on this lease		nom E2U	15060	MD - 10100 TVD		N	M 2308	
D1 (01)			_					
	er DF, KDB, RT, GL, etc.		22. Appro	oximate date work will st	art≁	23. Estimat	ed duration	
3199' GL		<u></u>		12/01/14			20 days	
			24. Attachm					
ne following, completed ir	accordance with the require	ments of Onshore C	Dil and Gas Or	der No. 1, must be attach	ned to th	is form:		
Well plat certified by a	registered surveyor		4	Bond to cover the operation	tions un	less covered by a	an existing bond	on file (see
A Drilling Plan.	registered surveyor.		ч.	Item 20 above).	tions un	less covered by a	an existing bond	on me (see
-	the location is on National Fo	orest System Lands,	the 5.	Operator certification.				
•	th the appropriate Forest Serv		6.	Such other site specific	informat	tion and/or plans	as may be requ	ired by the
				BLM		-		
.Signature			Name (Printe	ed/Typed)		í	Date	
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FIEL	D MANAGER			CARLSBAD	FIELD	OFFICE		
polication approval does	not warrant or certify that th	e applicant holds le	gal or equitab	le title to those rights in	the sub	viect lease which	would entitle t	he annlicant to
nduct operations thereon.	in the second	e appricant notas te	Sui or equilat	, in the to those rights in		Jeet lease which	would entitle t	ne applicant to
onditions of approval, if a	ny, are attached.			· 	۸DD	ROVAL F		VEADC
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Isbad Controlled	i Water Basin							
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	, P P	& Special Stipi	ulations Att	ached	2F	EALIA	ULED L	UN
					CC	NDITIO	NS OF	APPROV

CONDITIONS OF APPROVAL

OPERATOR CERTIFICATION

I certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true, and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 2^{nd} day of May _____, 2014.

Name: <u>Brian Pond</u> Position: <u>Land Specialist</u> Address: <u>P.O. Box 2267, Midland, TX 79705</u> Telephone: <u>(432) 686-3755</u> Email: brian pond@eogresouces.com

Signed _____

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

Pistrict II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico э; Energy, Minerals & Natural Resources Department **OIL CONSERVATION DIVISION** 1220 South St. Francis Dr. Sante Fe, NM 87505

CORLORD

PDIG (PYON DI) (

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate **District Office**

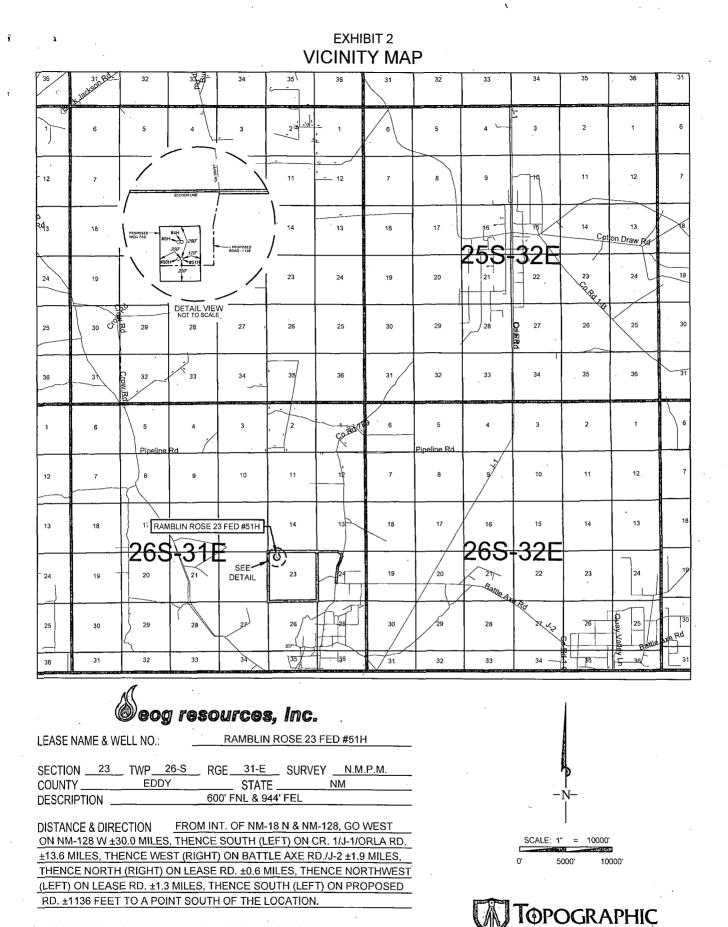
AMENDED REPORT

		V	VELL LO	CATIO	N AND ACRE	LAGE DEDICA	TION PLAT					
	¹ API Number	·		² Pool Code		³ Pool Name						
30-01	.5- 4 .	2845 97860 Jennings, Bone Spring,						est				
Property C	oho'		•		⁵ Property Nar	me		6W	ell Number			
313.40	<u>}</u> .			RA	MBLIN ROSE	E 23 FED		#	¥51H			
⁷ OGRID N	No.				⁸ Operator Na	me			Elevation			
7377		_	_	EO	G RESOURC	ES, INC.		3	3199'			
	<u> </u>				¹⁰ Surface Loc	ation						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
D	23	26-S	31-E	-	600'	NORTH	944'	WEST	EDDY .			
		·	· · · · · ·		k=	·	· · · · ·	£	<u></u>			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
D	14	26-S	31-E	-	230'	NORTH	1966'	WEST	EDDY			
¹² Dedicated Acres	¹³ Joint or	Infill ¹⁴ C	onsolidation Cod	e ¹⁵ Orde	er No.							
160												

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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944' 45H	#2H S.H.L.	S.H.L.		1 1 #53H		Signal St
	S.H.L S.H.L	<u></u>	Y=376474	S.H.L.		
	#50H- S.H.L. S.H.L.	∽#6H ∽#8н S.H.L. S.H.L,	LAT.: N 32.0337186 LONG.: W 103.7539300	454H S.H.L.	1	Certificate Number

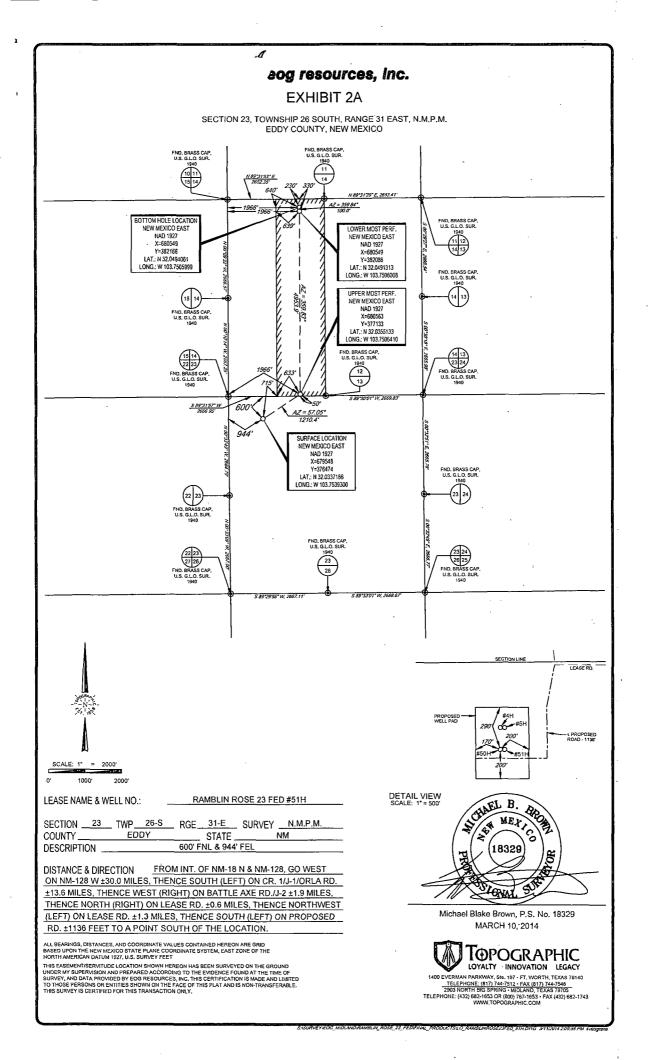
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THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY. AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR EVITITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET.

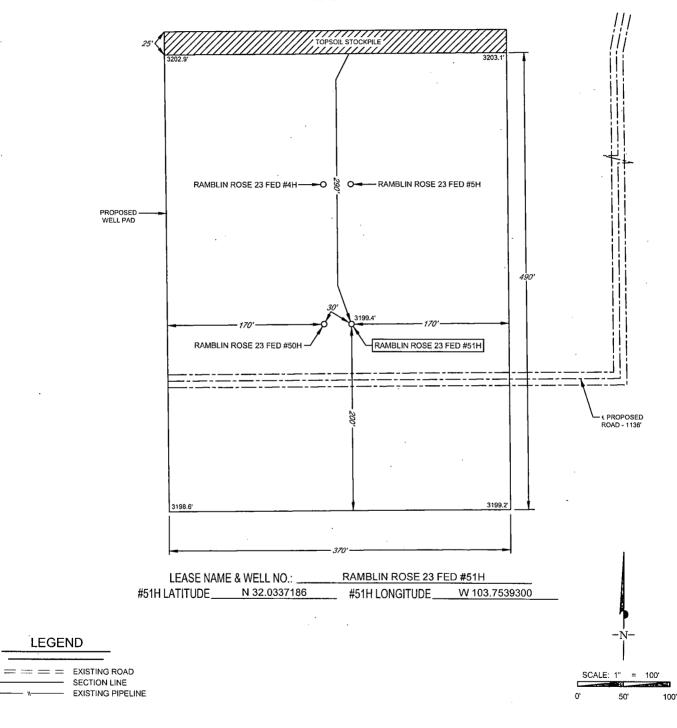
LOYALTY INNOVATION LEGACY 1400 EVERMAN PARKWAY, Ste. 197 • FT. WORTH, TEXAS 76140 <u>TELEPHONE: (817) 744-7512 • FAX (817) 744-7548</u> 2903 NORTH BIG SPRING • MIDLAND, TEXAS 78705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM





SECTION 23, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, NEW MEXICO

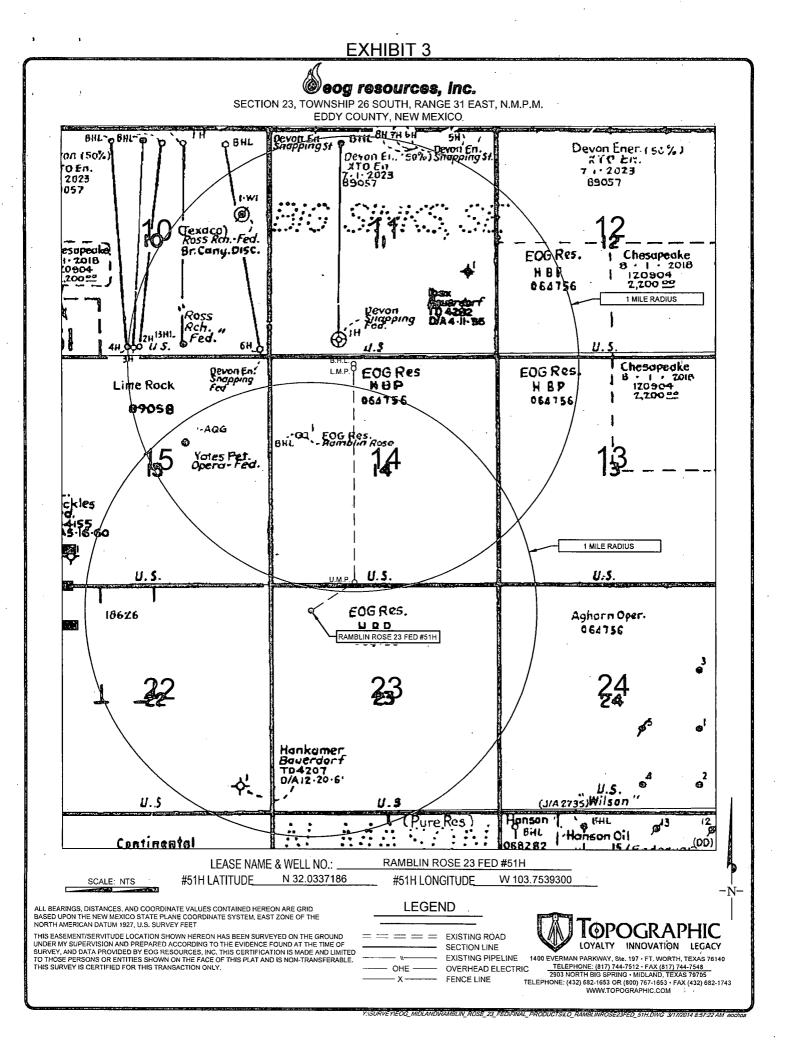
> DETAIL VIEW SCALE: 1" = 100'



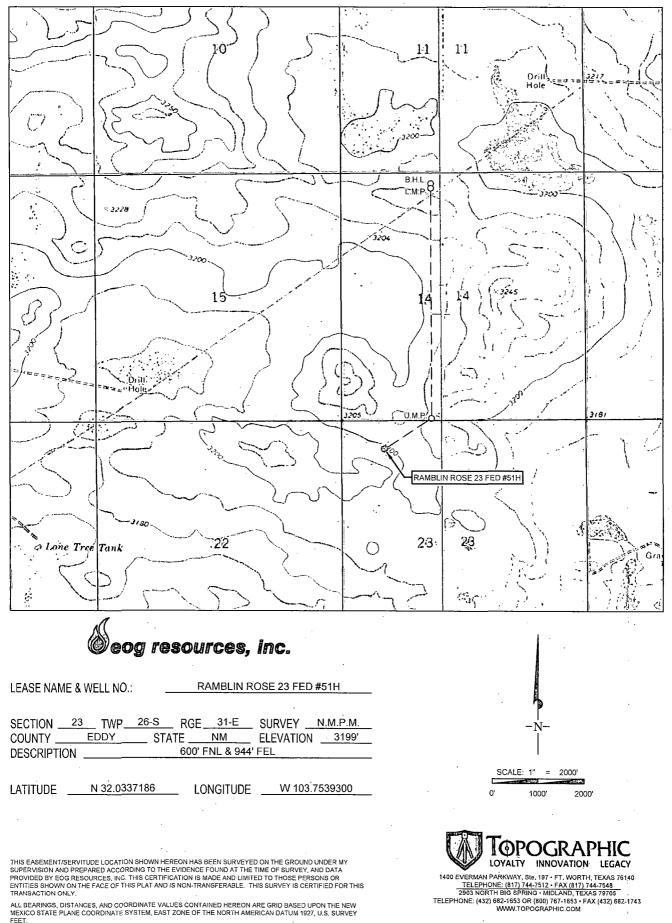
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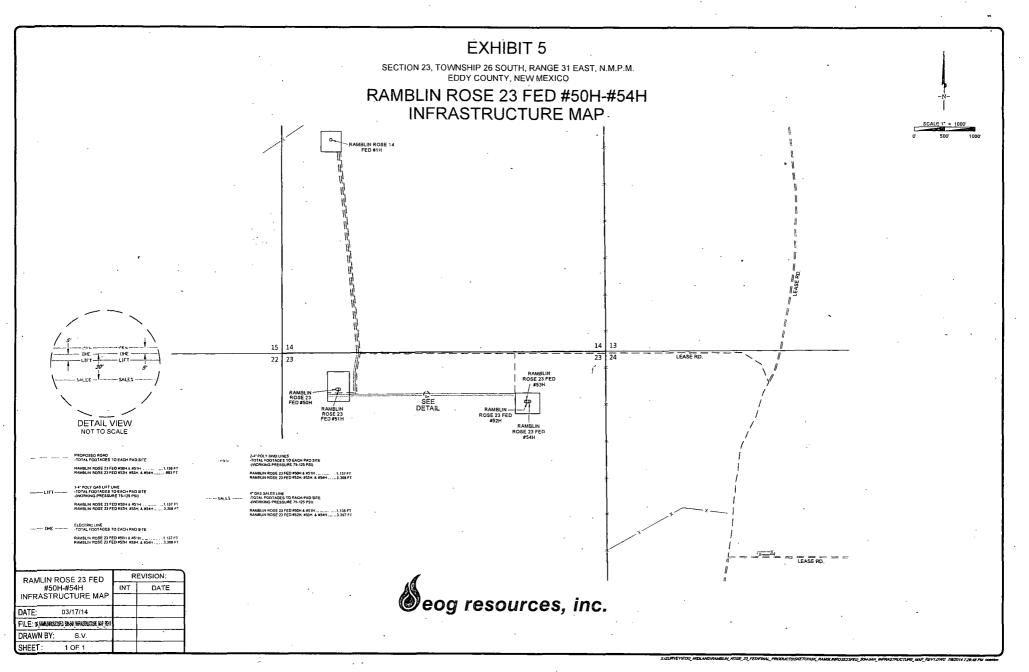
THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC, THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY. LOYALTY INNOVATION LEGACY 1400 EVERMAN PARKWAY, Sie. 197 • FT. WORTH, TEXAS 76140 TELEPHONE: (817) 744-7512 • FAX (817) 744-7548 2903 NORTH BIG SPRING • MIDLAND, TEXAS 78705 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743 WWW.TOPOGRAPHIC.COM

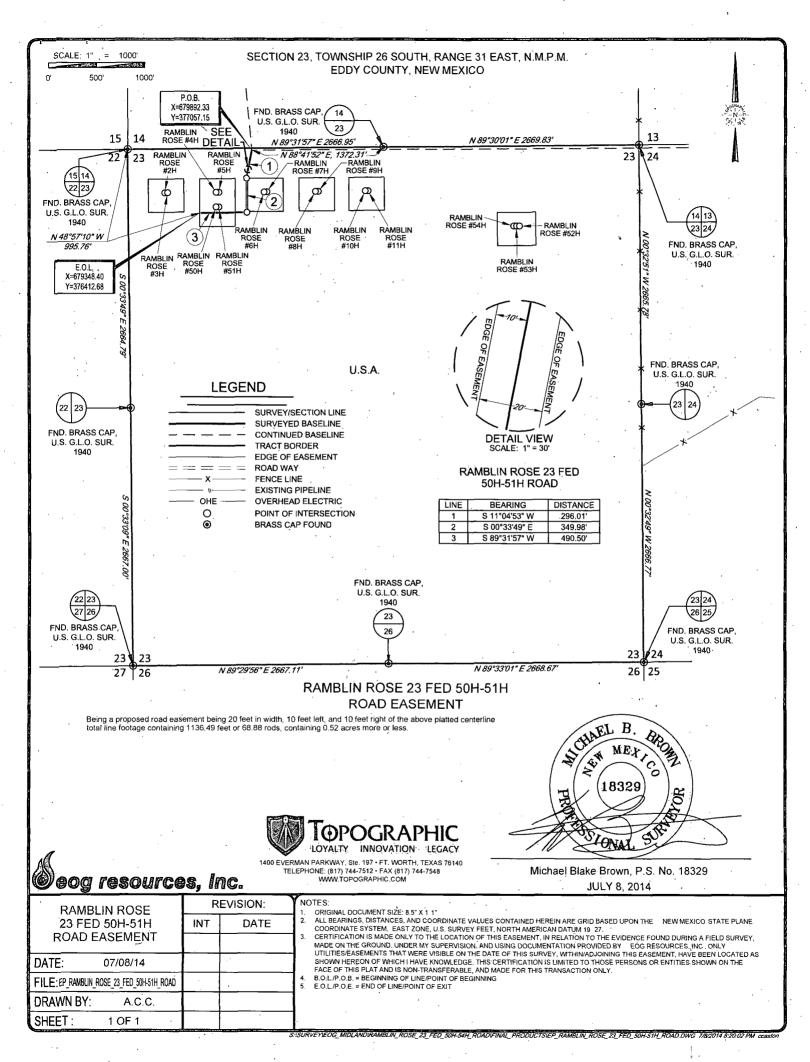
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LOCATION & ELEVATION VERIFICATION MAP







1. GEOLOGIC NAME OF SURFACE FORMATION: Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Rustler	1,430'
Top of Salt	1,770'
Base of Salt / Top Anhydrite	3,915'
Base Anhydrite	4,130'
Lamar	4,130'
Bell Canyon	4,155'
Cherry Canyon	5,085'
Brushy Canyon	6,390'
Bone Spring Lime	8,150'
1 st Bone Spring Sand	9,065'
2 nd Bone Spring Carb	9,595'
2 nd Bone Spring Sand	9,750'
TD	10,100'

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Water

Upper Permian Sands	0-400'	Fresh
Cherry Canyon	5,085'	Oil
Brushy Canyon	6,391'	Oil
Bone Spring Lime	8,150'	Oil
2 nd Bone Spring Sand	9,750'	Oil

No other Formations are expected to give up oil, gas or fresh water in measurable quantities. Surface fresh water sands will be protected by setting 13.375" casing at 1,455' and circulating cement back to surface.

4. CASING PROGRAM - NEW

	/	Juli						
Hole Size	Interval	Csg OD	Weight	Grade	Conn	DF _{min} Collapse	DF _{min} Burst	DF _{min} Tension
17.5"	0-1,455'	13.375"	54.5#	J55	STC	1.125	1.25	1.60
12.25"	0-4,000'	9.625"	40#	J55	LTC	1.125	1.25	1.60
8.75"	0'-15,960'	5.500"	17#	P110 or HCP110	LTC	1.125	1.25	1.60

SILCOA

1.

		No.	Wt.	Yld	Mix	
	Depth	Sacks	lb/gal	Ft ³ /ft	Water	Slurry Description
					Gal/sk	
600,	13-3/8"	600	13.5	1.73	9.13	Lead: Class C + 4.0% Bentonite + 0.6% CD-32 + 0.5%
Sel	1,455'					CaCl ₂ + 0.25 lb/sk Cello-Flake (TOC @ surface)
00 4		300	14.8	1.34	6.34	Tail: Class C + 0.005 pps Static Free + 2% CaCl ₂ + 0.25 pps
						CelloFlake + 0.005 gps FP-6L
	9-5/8"	600	-12.7	2.22	12.38	Lead: Class 'C' + 1.50% R-3 + 0.25 lb/sk Cello-Flake + 2.0%
Sel	4,000'					Sodium' Metasilicate + 10% Salt + 0.005 lb/sk Static Free
on						(TOC @ surface)
	·	200	14.8	1.32	6.33	Tail: Class 'C' + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
	5-1/2"	415	10.8	3.67	21.7	Lead: 60:40:0 Class 'C' + 15.00 lb/sk BA-90 + 4.00% MPA-5
	15,960'					+ 3.00% SMS + 5.00% A-10 + 1.00% BA-10A + 0.80%
						ASA-301 + 2.90% R-21 + 8.00 lb/sk LCM-1 + 0.005 lb/sk
						Static Free (TOC @ 3500')
		530	11.8	2.38	13.25	Middle: 50:50:10 Class 'H' + 0.80% FL-52 + 0.45% ASA-
						301 + 0.40% SMS + 2.00% Salt + 3.00 lb/sx LCM-1 + 0.20%
						R-21 + 0.25 lb/sk Cello Flake + 0.005 lb/sk Static Free
		1400	14.2	1.28	5.75	Tail: 50:50:2 Class 'H' + 0.65% FL-52 + 0.20% CD-32 +
						0.15% SMS + 2.00% Salt + 0.10% R-3 + 0.005 lb/sk Static
					L	Free

<u>Cementing Program</u>:

Note: Cement volumes based on bit size plus at least 25% excess in the open hole plus 10% excess in the cased-hole overlap section.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a double ram-type (5,000 psi WP) preventer and an annular preventer (5000-psi WP). Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

3000 psi BOPE is adequate for this application. Due to the 3000 psi BOPE requirement no FIT tests are planned.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 2000/250 psig and the annular preventer to 2000/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

2.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 3000/250 psig and the annular preventer to 3000/250 psig. The intermediate casing will be tested to 2000 psi for 30 minutes.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal.

The applicable depths and properties of the drilling fluid systems are as follows. 1.40

The a	pplicable depths and	properties of the c	lrilling fluid syster	ns are as follows.
see coA 1640	,			
Depth /	Туре	Weight (ppg)	Viscosity	Water Loss
0-1,455'	Fresh Water Gel	8.6-8.8	28-34	N/c
1,455' - 4,000'	Saturated Brine	10.0-10.2	28-34	N/c
4,000' - 9,622'	Fresh Water	8.4-8.6	28-34	N/c
9,622'-15,960'	Cut Brine Water	9.0-9.5	28-34	N/c
Lateral				

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) H_2S monitoring and detection equipment will be utilized from surface casing point to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

Such Open-hole logs are not planned for this well.

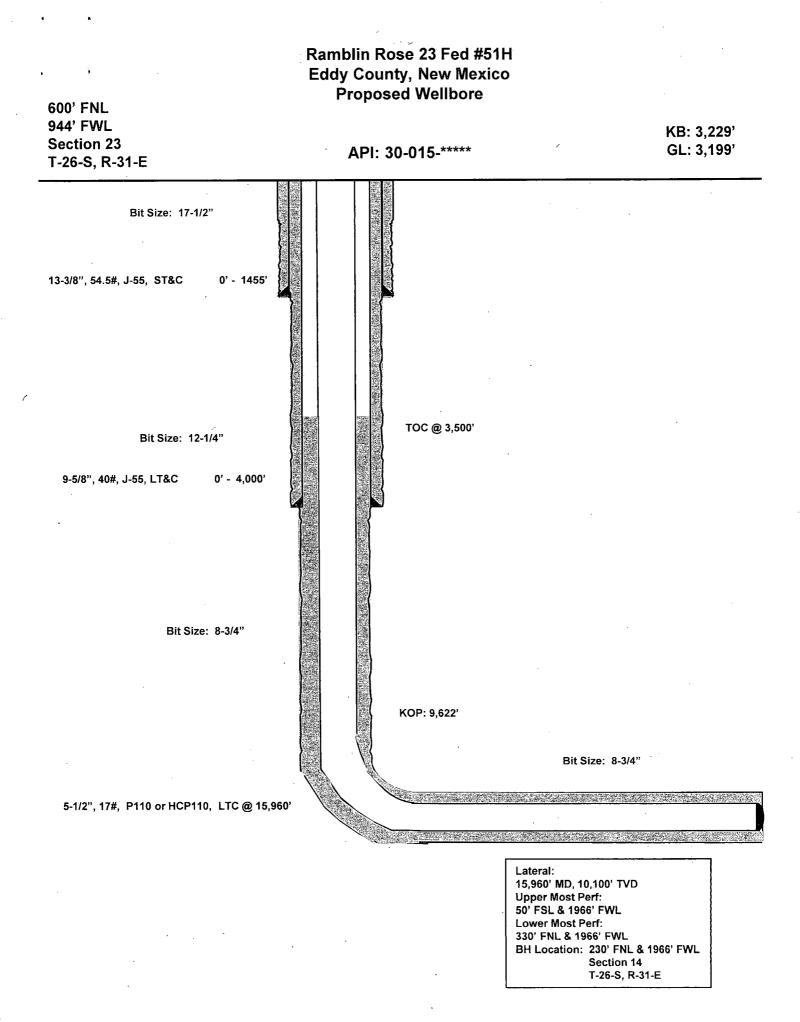
GR-CCL Will be run in cased hole during completions phase of operations.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:

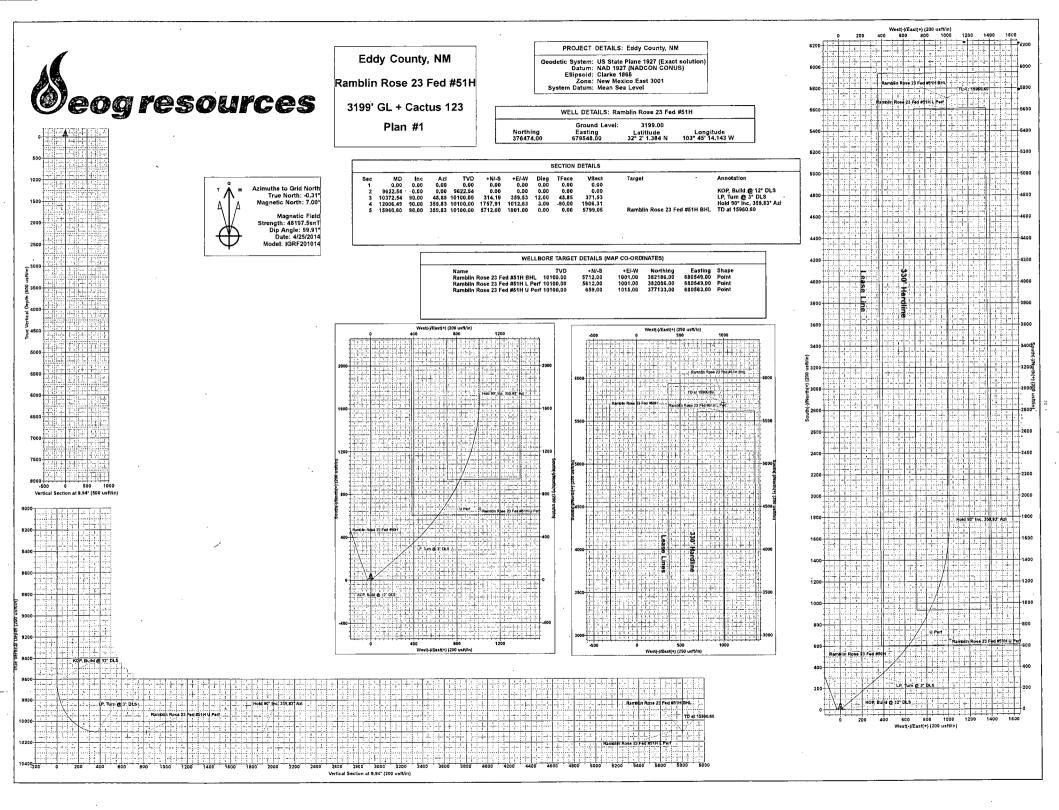
The estimated bottom-hole temperature (BHT) at TD is 160 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 4373 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should be finished in approximately one month. If the well is productive, an additional 60-90 days will be required for completion and testing before a decision is made to install permanent facilities.



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EOG Resources - Midland

Eddy County, NM Ramblin Rose 23 Fed Ramblin Rose 23 Fed #51H

OH

Plan: Plan #1

Standard Survey Report

25 April, 2014

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	G Resources - Mi	uland		TVD Reference		43 ····	WELL @ 3229.00		Cactus:123)
	ty County, NM			MD Reference			WELL @ 3229.00 WELL @ 3229.00		
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	OH Model Nan IGRF2		Sample Date 4/25/2014	Decilina (°)	ation 7.30	D	ip Angle (*) 59.91	Field S (n	trength T) 48,197
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Magnetics Design Audit Notes: Version: Vertical Section: Survey Tool Program (usti) 0.00 Planned Survey Measured Depth (usti) 0.00 100.00 200.00 300.00 400.00 500.00 600.00	Model:Nan IGRF2 Plan #1 To (usft) (S 15,960.60 F Inclination (°) 0.00 0.00 0.00 0.00 0.00 0.00 0.00	01014 Depth Fi (u Date 4/25/2 urvey (Wellbo lan #1 (OH) Azimuth (°) 0.00 0.00 0.00 0.00 0.00 0.00	4/25/2014 Phase: rom (TVD) sft) 0.00 014 014 vertical Depth (usft) 0.00 100.00 200.00 300.00 400.00 500.00 600.00 700.00	() PLAN +N/-S (usft) 0.00 M' +N/-S (usft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	7.30	e On Depth :/-W isft) 0.00 	(*) 59.91 59.91 Description MV/D - Standard MV/D - Standard Contemporation MV/D - Standard (*/100usft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	(") irection () 9. 4 Build Rate (')(00usft) 0.00 0.	T) 48,197 0.00 94 Turn Rate ('/100usft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

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4/25/2014 8:29:48AM

COMPASS 5000.1 Build 56

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EOG Resources, Inc.



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Company: EOG Resources - Midland	Local Co-ordinate Reference: Well Ramblin Rose 23 Fed #51H
Project: Eddy County, NM	TVD Reference WELL @ 3229.00usft (3199' GL + Cactus 123)
Site: Ramblin Rose 23 Fed	MD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Well: Ramblin Rose 23 Fed #51	H North Reference: Grid
Wellbore: OH	Survey Calculation Method: Minimum Curvature
Design: Plan #1	Database: EDM 5000.1 Single User Db
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Planned Survey

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			an a				De-lee	a de la companya de l	
Measured Depth	Inclination	zimuth	Vertical Depth	+N/-S	+E/-W	Vertical Section	Dogleg Rate	Build Rate	Turn. Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	٥.00 ر	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	. 0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	. 0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	. 0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0,00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	. 0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	. 0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	. 0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
E 000 00	0.00	0.00	5 000 00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00

EOG Resources, Inc.



Survey Report

(a) A set of the se	na se a construir e constru La construir e c
Company: EOG Resources - Midland	Local Co-ordinate Reference: Well Ramblin Rose 23 Fed #51H
Project: Eddy County, NM	TVD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Site: Ramblin Rose 23 Fed	MD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Well: Ramblin Rose 23 Fed #51H	North Reference: Grid
Wellbore: OH	Survey Calculation Method: Minimum Curvature
Design: Plan #1	EDM 5000.1 Single User Db
	n an de de la contra la contra de la contra d La contra de la contra de la contra del contra de la contra

Planned S	urvey	ang the factor of the second sec	an a	e de enconocionales Recentados encon	an din tana ang	ele nor nor parente an NACE presentationes en a	aran an a	an a	an the en Designation	
	easured			Vertical				Dogleg Rate	Build	Turn Rate
	Depth (usft)	Inclination	Azimuth	Depth (usft)	+N/-S	Sector Sector	Section (usft)		Rate /100usft) ('	/100usft)
	lusit	(°)	(1)	(usic) a start	(usft)	(usft)	(uait)		() () ()	
	5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,800.00	0,00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1	6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0,00	0.00
	6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	0 500 00	0.00	0,00	e 600.00	0.00			0.00	0.00	0.00
	6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00 0.00	0.00	0.00
	6,600.00	0.00	. 0.00	6,600.00	0.00	0.00	0.00		0.00	0.00
	6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	
	6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,900.00	0:00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0,00
	7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,500.00	0.00	0.00	7,500.00	0.00	0.00	. 0.00	0.00	0.00	0.00
	7,600.00	0.00	0.00	7,600.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,700.00	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,800.00	0.00	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,900.00	0.00	0.00	7,900.00	0.00	0.00	0.00	0.00	0.00	[°] 0.00
	8,000.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,100.00	0.00	0.00	8,100.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,200.00	0.00	0.00	8,200.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,300.00	0.00	0.00	8,300.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,400.00	0.00	0.00	8,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,500.00	0.00	0.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,600.00	0.00	0.00	8,600.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,700.00	0.00	0.00	8,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	8,800.00	. 0.00	0.00	8,800.00	. 0.00	0.00	0.00	0.00	0.00	0.00
•	8,900.00	0.00	0.00	8,900.00	0.00	0.00	0.00	0.00	0.00	0.00
	.,			-,	,					
	9,000.00 `	0.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,100.00	0.00	0.00	9,100.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,200.00	0.00	0.00	9,200.00	0.00	0.00	0.00	0.00	0.00	0.00
,	9,300.00	0.00	0.00	9,300.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,400.00	0.00	0.00	9;400.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,500.00	0.00	0.00	9,500.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,600.00	0.00	0.00	9,600.00	0.00	0.00	0.00	0.00	0.00	0.00

COMPASS 5000.1 Build 56

resources

EOG Resources, Inc.

Survey Report

Company: EOG Resources - Midland Eddy County, NM Project: Site: Ramblin Rose 23 Fed Well: Ramblin Rose 23 Fed #51H Wellbore: ОН - Plan #1 Design:

Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: **Survey Calculation Method:** Database:

Well Ramblin Rose 23 Fed #51H WELL @ 3229.00usft (3199' GL + Cactus 123) WELL @ 3229.00usft (3199' GL + Cactus 123) Grid

.

Minimum Curvature

EDM 5000.1 Single User Db

Planned Survey . .

Planned Survey		an si ja su sa	a ta taban	e teactar		tha thuếng độ	an a	l A. A. Station	All Martin and a second
Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Section*	Rate	Rate	Rate
(usft)	()	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100usft)
9,622.54	0.00	0.00	9,622.54	0.00	0.00	0.00	0.00	0.00	0.00
KOP, Build	@ 12° DLS								
9,625.00	0.30	48.85	9,625.00	0.00	0.00	0.00	12.00	12.00	0.00
9,650.00	3.30	48.85	9,649.99	0.52	0.59	0.61	12.00	12.00	0.00
9,675.00	6.30	48.85	9,674.89	1.89	2.17	2.24	12.00	12.00	0.00
9,700.00	9.30	48.85	9,699.66	4.13	4.72	4.88	12.00	12.00	0.00
9,725.00	12.30	48.85	9,724.22	7.21	8.25	8.52	12.00	12.00	0.00
9,750.00	15.30	48.85	9,748.49	11.13	12.73	13.16	12.00	12.00	0.00
9,775.00	18:30	48.85	9,772.42	15.88	18.17	18.78	12.00	12.00	0.00
9,800.00	21.30	48.85	9,795.94	21.45	24.55	25.37	12.00	12.00	0.00
9,825.00	24,30	48.85	9,818.99	27.83	31.84	32,90	12.00	12.00	0.00
9,850.00	27.30	48.85	9,841.49	34.98	40.03	41.37	12.00	12.00	0.00
9,875.00	30.30	48.85	9,863.40	42,91	49.10	50.74	12.00	12.00	0.00
9,900.00		48.85	9,884.65	51.57	59.01	60,98	12.00	12.00	0.00
9,925.00	36.30	48.85	9,905.17	60.96	69.76	72.08	12.00	12.00	0.00
9,950.00		48.85	9,924.93	71.04	81.29	84.00	12.00	12.00	0.00
9,975.00		48.85	9,943.85	81.79	93.59	96.71	12.00	12.00	0.00
10,000.00		48.85	9,961.89	93.17	106.62	110.17	12.00	12.00	0.00
10,025.00	48.30	48.85	9,979.01	105.16	120.34	124.35	12.00	12.00	0.00
10.050.00	54.00	40.05	0.005.14	447 70	404 74	400.04	40.00	10.00	0.00
10,050.00		48.85	9,995.14	117.72	134.71	139.21	12.00	12.00	0.00
10,075.00		48.85	10,010.26	130.82	149.70	154.70	12.00	12.00	0.00
10,100.00		48.85	10,024.31	144.43	165.27	170.79	12.00	12.00	0.00
10,125.00		48.85	10,037.26	158.50	181.37	187.42	12.00	12.00	0.00
10,150.00	63.30	48.85	10,049.08	172.99	197.96	204.57	12.00	12,00	0.00
10,175.00	66.30	48.85	10,059.72	187.88	214.99	222.16	12.00	12.00	0.00
10,200.00		48.85	10,069.17	203.11	232.41	240.17	12.00	12,00	0.00
10,225.00	72.30	48.85	10,077.39	218.64	250.19	258.54	12,00	12.00	0.00
10,250.00		48.85	10,084.37	234.43	268.26	277.22	12.00	12.00	0.00
10,275.00		48.85	10,090.08	250.45	286.59	296.16	12.00	12.00	0.00
10,300.00	81.30	48.85	10,094.51	266.64	305.11	315.30	12.00	· 12.00	0.00
10,325.00		48.85	10,097.64	282.96	323.79	334.60	12.00	12.00	0.00
10,350.00		48.85	10,099.47	299.36	342.56	354.00	12.00	12.00	0.00
10,372.54		48.85	10,100.01	314.19	359.53	371.53	12.00	12.00	0.00
LP, Turn @	3° DLS								
10,400.00	90.00	48.03	10,100.01	332.41	380.07	393.02	3.00	0.00	-3.00
10,500.00	90.00	45.03	10,100.01	401.20	452.63	473.30	3.00	0.00	-3.00
10,600.00	90.00	42.03	10,100.01	473.70	521.49	556.60	3.00	0.00	-3.00
10,700.00	90.00	39.03	10,100.01	549.70	586.47	642.68	3.00	0.00	-3.00
10,800.00	90.00	36.03	10,100.00	629.00	647.37	731.30	3.00	0.00	-3.00
10,836.84		34,92	10,100.00	659.00	668.75	764,54	3.00	0.00	-3.00
U Perf									
10,900.00	90.00	33.03	10,100.00	711.38	704.04	822.22	3.00	0.00	-3.00
11,000.00		30.03	10,100.00	796.61	756.33	922.22 915.19	3.00	0.00	-3.00
. 11,100.00	90.00	27.03	10,100.00	884.46	804.08	1,009.97	3.00	0.00	-3.00



EOG Resources, Inc.

Survey Report

	n en
Company: EOG Resources - Midland	Local Co-ordinate Reference: Well Ramblin Rose 23 Fed #51H
Project: Eddy County, NM	TVD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Site: Ramblin Rose 23 Fed	MD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Well: Ramblin Rose 23 Fed #51H	North Reference: Grid
Wellbore: OH	Survey Calculation Method: Minimum Curvature
Design: Plan #1	Database: EDM 5000.1 Single User Db
Planned Survey	

Measured			Vertical			Vertical	Dogleg	Build	Turn
- チャナナ いいきり 二 ガールアール	Inclination	Azimuth	Depth	+Ń/-S	+E/-W	Section	Rate	Rate	Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100usft) (°/100usft)
11,200.00	90.00	24.03	10,100.00	974.68	847.16	1,106.28	3.00	0.00	-3.00
11,300.00	90.00	21.03	10,100.00	1,067.04	885.47	1,203.86	3.00	0.00	-3.00
11,400.00	90.00	18.03	10,100.00	1,161.28	918.89	.1,302.46	3.00	0.00	-3.00
11,500.00	90.00	15.03	10,100.00	1,257.14	947.33	1,401.79	3.00	0.00	-3.00
11,600.00	90.00	12.03	10,100.00	1,354.36	970.72	1,501.58	3.00	0.00	-3.00
11,700.00	90.00	9.03	10,100.00	1,452.66	988.99	1,601.56	3.00	0.00	-3.00
11,800.00	90.00	6.03	10,100.00	1,551.79	1,002.08	1,701.46	3.00	0.00	-3.00
11,900.00	90,00	3.03	10,100.00	1,651.46	1,009.97	1,801.00	3.00	0.00	-3.00
12,006.49	90.00	359.83	10,100.00	1,757.91	1,012.63	1,906.31	3.00	0.00	-3.00
Hold 90° Inc, 3	359.83° Azi								
12,100.00	90.00	359.83	10,100.00	1,851.42	1,012.35	1,998.37	0.00	0.00	0.00
12,200.00	90.00	359,83	10,100.00	1,951.42	1,012.06	2,096.81	0.00	0.00	0.00
12,300.00	90.00	359.83	10,100.00	2,051.42	1,011.76	2,195.26	0.00	Ó.00	0.00
12,400.00	90.00	359.83	10,100.00	2,151.42	1,011.47	2,293.71	0.00	0.00	0.00
12,500:00	90.00	359.83	10,100.00	2,251.42	1,011.18	2,392.16	0.00	0.00	0.00
12,600.00	90.00	359.83	10,100.00	2,351.42	1,010.88	2,490.61	0.00	0.00	0.00
12,700.00	90.00	359.83	10,100.00	2,451.42	1,010.59	2,589.05	0.00	0.00	0.00
12,800.00	90.00	359.83	10,100.00	2,551.41	1,010.29	2,687.50	0.00	0.00	0.00
12,900.00	90.00	359.83	10,100.00	2,651.41	1,010.00	2,785.95	0.00	0.00	0.00
13,000.00	90.00	359.83	10,100.00	2,751.41	1,009.71	2,884.40	0.00	0.00	0.00
13,100.00	90.00	359,83	10,100.00	2,851.41	1,009.41	2,982.85	0.00	0.00	0.00
13,200.00	90.00	359,83	10,100.00	2,951.41	1,009.12	3,081.29	0.00	0.00	0.00
13,300.00	90.00	359,83	10,100.00	3,051.41	1,008.82	3,179.74	0.00	0.00	0.00
13,400.00	90.00	359.83	10,100.00	3,151.41	1,008.53	3,278.19	0.00	0.00	0.00
13,500.00	90.00	359.83	10,100.00	3,251.41	1,008.24	3,376.64	0.00	0.00	0.00
13,600.00	90,00	359.83	10,100.00	3,351.41	1,007.94	3,475.09	0.00	0.00	0.00
13,700.00	90.00	359,83	10,100.00	3,451.41	1,007.65	3,573.53	0.00	0.00	0.00
13,800.00	90.00	359.83	10,100.00	3,551.41	1,007.35	3,671.98	0.00	0,00	0.00
					-				
13,900.00	90.00	359.83	10,100.00	3,651.41	1,007. 0 6	3,770.43	0.00	0.00	0.00
14,000.00	90.00	359.83	10,100.00	3,751.41	1,006.77	3,868.88	0.00	0.00	0:00
14,100.00	90.00	359.83	10,100.00	3,851.41	1,006.47	3,967.33	0.00	0.00	0.00
14,200.00	90.00	359.83	10,100.00	3,951.41	1,006.18	4,065.77	0.00	0.00	0.00
14,300.00	90.00	359.83	10,100.00	4,051.41	1,005.88	4,164.22	0.00	0.00	0.00
14,400.00	90.00	359.83	10,100.00	4,151.41	1,005.59	4,262.67	0.00	0.00	0.00
14,500.00	90.00	359.83	10,100.00	4,251.41	1,005.30	4,361.12	0.00	0.00	0.00
14,600.00	90.00	359.83	10,100.00	4,351.41	1,005.00	4,459.57	0.00	0.00	0.00
14,700.00	90.00	359.83	10,100.00	4,451.41	1,004.71	4,558.01	0.00	0.00	0.00
14,800.00	90.00	359.83	10,100.00	4,551.41	1,004.41	4,656,46	0.00	0.00	0.00
14,900.00	90.00	359.83	10,100.00	4,651.41	1,004.12	4,754.91	0.00	0.00	0.00
15,000.00	90.00	359.83	10,100.00	4,751.41	1,003.82	4,853.36	0.00	0.00	· 0.00
15,100.00	90.00	359.83	10,100.00	4,851.40	1,003.53	4,951.80	0.00	0.00	0.00
15,200.00	90.00	359.83	10,100.00	4,951.40	1,003.24	5,050.25	0.00	0.00	0.00
15,300.00	90.00	359.83	10,100.00	5,051.40	1,002.94	5,148.70	0.00	0.00	0.00

EOG Resources, Inc.



Survey Report

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Company: EOG Resources - Midland	Local Co-ordinate Reference: Well Ramblin Rose 23 Fed #51H
Project: Eddy County, NM	TVD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Site: Ramblin Rose 23 Fed	MD Reference: WELL @ 3229.00usft (3199' GL + Cactus 123)
Well: Ramblin Rose 23 Fed #51H	North Reference: Grid
Wellbore: OH	Survey Calculation Method: Minimum Curvature
Design: Plan #1	Database: EDM 5000.1 Single User Db
Planned Survey	

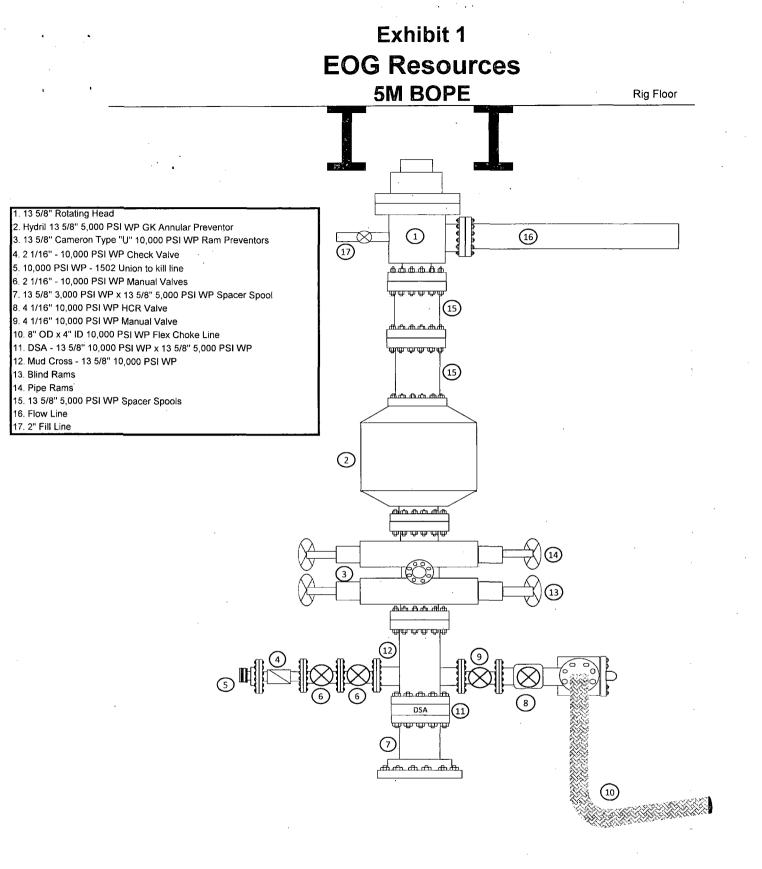
Measured Depth (usft)	Inclination (?)	Azimuth (۴)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)		Build Rate (100usft) (Turn Rate °/100usft)
15,400.00	90.00	359.83	10,100.00	5,151.40	1,002.65	5,247.15	0.00	0.00	0.00
15,500.00	90.00	359.83	10,100.00	5,251.40	1,002.35	5,345.60	0.00	0.00	0.00
15,600.00	90.00	359.83	10,100.00	5,351.40	1,002.06	5,444.04	0.00	0.00	0.00
15,700.00	90.00	359.83	10,100.00	5,451.40	1,001.77	5,542.49	0.00	0.00	0.00
15,800.00	90.00	359.83	10,100.00	5,551.40	1,001.47	5,640.94	0.00	0.00	0.00
15,860.60	90.00	359.83	10,100.00	5,612.00	1,001.29	5,700.60	0.00	0.00	0.00
L Perf									
15,900.00	90.00	359.83	10,100.00	5,651.40	1,001.18	5,739.39	0.00	0.00	0.00
15,960.60	90.00	359.83	10,100.00	5,712.00	1,001.00	5,799.05	0.00	0.00	0.00
TD at 15960.6	0								

Design Targets

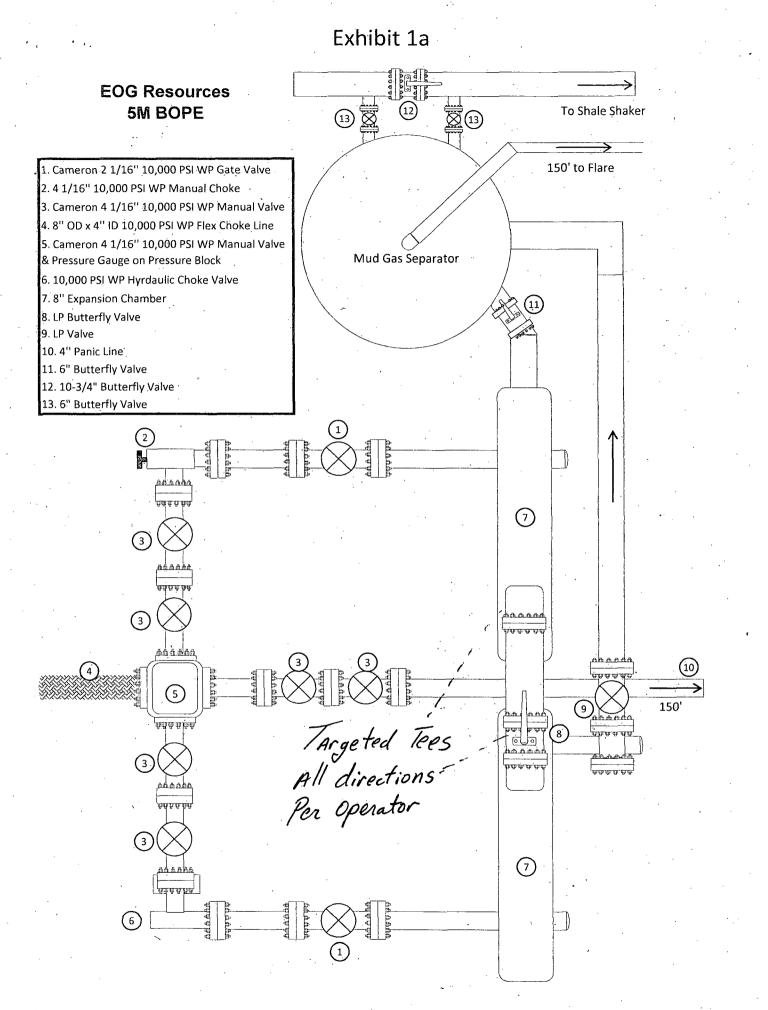
Target Name - hit/miss target TVD Dip Angle Dip Dir. +N/-S +E/-W Northing Easting - Shape ::-::(°) (°) (usft) (usft) (usft) (usft) (usft) Latitude Longitude Ramblin Rose 23 Fed #: 0.00 0.00 10,100.0 659.00 1,015.00 377,133.00 680,563,00 32° 2' 7.852 N 103° 45' 2.310 W 0 - plan misses target center by 292.92usft at 11002.63usft MD (10100.00 TVD, 798.89 N, 757.64 E) - Point Ramblin Rose 23 Fed #5 0.00 0.00 10.100.0 5,712.00 1,001.00 382,186.00 680,549.00 32° 2' 57.858 N 103° 45' 2.156 W 0 - plan hits target center - Point Ramblin Rose 23 Fed #: 0.00 0.00 10,100.0 5,612.00 1.001.00 382,086.00 680,549.00 32° 2' 56.868 N 103° 45' 2.163 W ٥ - plan misses target center by 0.29usft at 15860.60usft MD (10100.00 TVD, 5612.00 N, 1001.29 E) - Point

Plan Annotations Measured Vertical Local Coordinates +N/-S Depth Depth 17 +E/-W 2912 (usft) (usft) (usft) (usft) Comment 9623 9623 0 0 KOP, Build @ 12° DLS 10,373 10,100 314 360 LP, Turn @ 3° DLS 10.837 10,100 659 669 U Perf 12,006 10,100 1758 1013 Hold 90° Inc, 359.83° Azi 15,861 10,100 5612 1001 L Perf 15,961 10,100 5712 1001 TD at 15960.60

Checked By: . Approved By: Date:



k 2

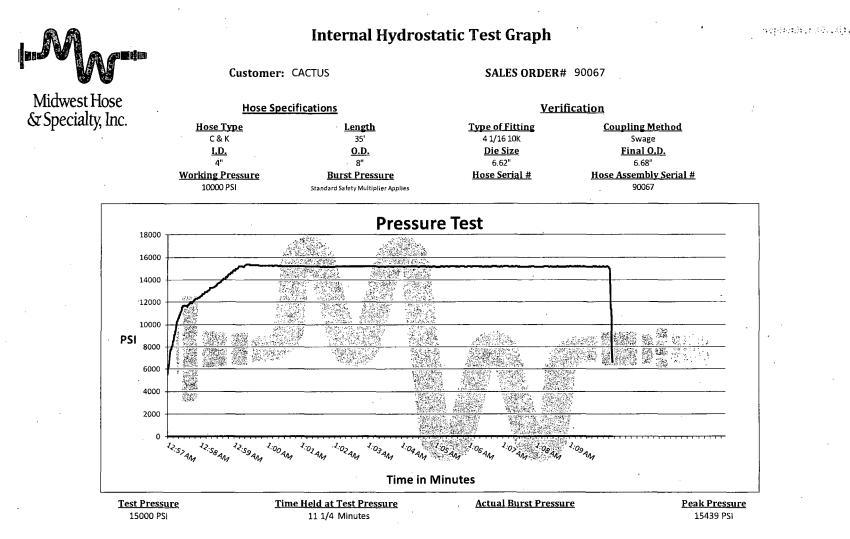


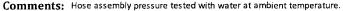
EOG 5M Choke Manifold Diagram (rev. 3/21/14)

MIDWEST

HOSE AND SPECIALTY INC.

IN	TERNAL	. HYDROST	ATIC TEST	REPOR	T		
Customer: CACTUS		P.O. Numb RIG #123		-			
			Asset # N	110761	٦		
		HOSE SPECIF	FICATIONS			_	
Туре: С	HOKE LINI		Length:	35'			
I.D.	4"	INCHES	O.D.	8"	INCHES	;	
WORKING PR	ESSURE	TEST PRESSUR	E	BURST PRES	SURE		
10,000	PSI	15,000	PSi		PS	W	
		COUP	LINGS				
Type of En 4	d Fitting 1/16 10K F	LANGE					
Type of Co S	oupling: WEDGED		MANUFACTU MIDWEST HOS		LTY		
		PROC	EDURE				
		<i>Y pressure tested w</i> TEST PRESSURE	•	URST PRESSL			
	1	ARTN.			0 <i>P</i> SI		
COMMENTS: SN#90067 M10761 Hose is covered with stainless steel armour cover and wraped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes							
Date: 6	/8/2011	Testad By: BOBBY FINK		Approved: MENDI J	ACKSON		





Tested By: Bobby Fink

Approved By: Mendi Jackson

Mendi Jackson

Manufacturer: Midwest Hose & Specialty

Serial Number: SN#90067

Length: 35'

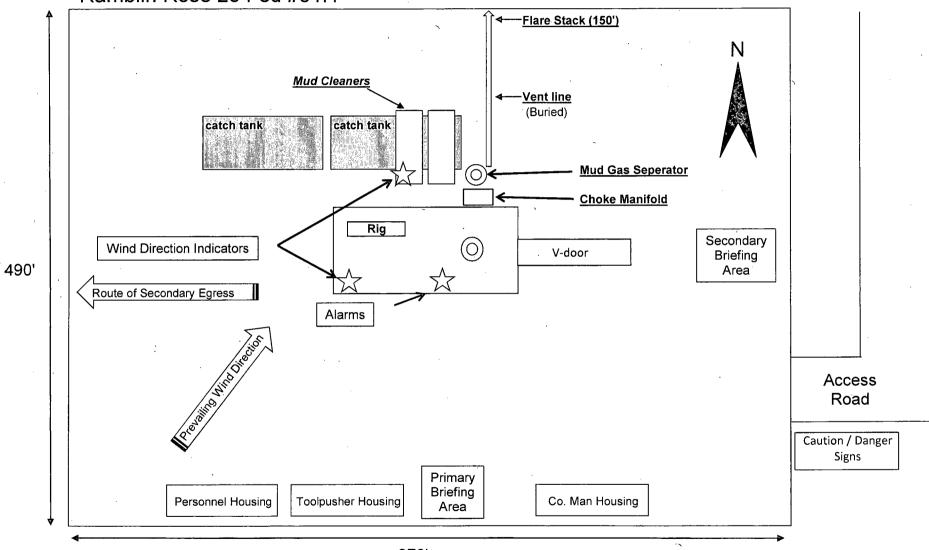
Size: OD = 8° ID = 4°

Ends: Flanges Size: 4-1/16"

WP Rating: 10,000 psi Anchors required by manfacturer: No



Well Site Diagram



370'

Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher
- H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
 - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
 - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
 - c. Two wind socks will be placed in strategic locations, visible from all angles.

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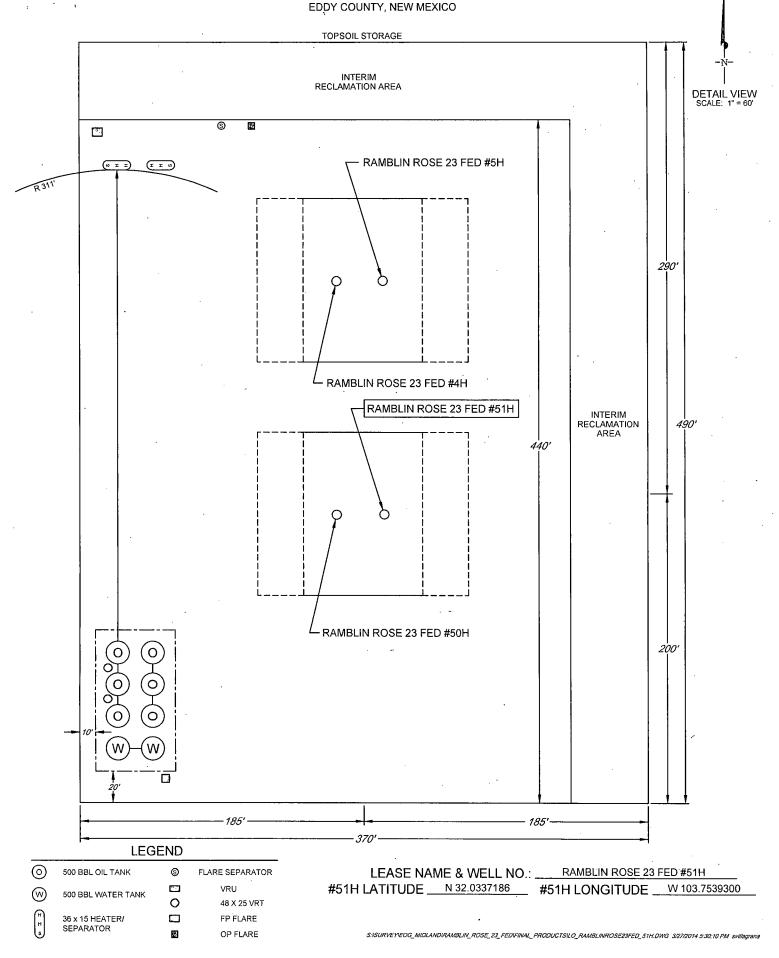
PUBLIC SAFETY:	17121	911 or
Eddy County Sheriff's Department		(575) 887-7551
Kent Waller		(0,0) 001 1001
Fire Department:		
Carlsbad		(575) 885-3125
Artesia		(575) 746-5050
Hospitals:		
Carlsbad		(575) 887-4121
Artesia		(575) 748-3333
Hobbs		(575) 392-1979
Dept. of Public Safety/Carlsbad		(575) 748-9718
Highway Department		(575) 885-3281
New Mexico Oil Conservation		(575) 476-3440
U.S. Dept. of Labor		(575) 887-1174
EOG Resources, Inc.		
	Office	(432) 686-3600
Company Drilling Consultants:		
	Cell	(432) 894-3417
Larry King		
Drilling Engineer		
	Office	(432) 686-3737
	Cell	(432) 770-0705
Drilling Manager	CCII	(452) 110-0105
	Office	(432) 686-3609
	Cell	(432) 894-1256
Drilling Superintendents	con	(152) 091 1250
	Office	(432) 686-3695
	Cell	(432) 386-0592
Cactus Drilling		
Cactus Drilling	Office	(580) 799-2752
Cactus 123 Drilling Rig	Rig	(432) 894-3417
Tool Pusher:		
	Cell	(405) 519-6552
	Cell	(405) 250-6368
	CON	(+03) 230-0308
Safety		
Reggie Phillips (HSE Manager)		(432) 686-3747
	Cell	(303) 501-4587

Emergency Assistance Telephone List

EXHIBIT 2C

RECLAMATION AND FACILITY DIAGRAM - PRODUCTION FACILITIES DIAGRAM

SECTION 23, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M.



SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

Surface Use Plan of Operations

Introduction

EOG Resources

Ramblin Rose 23 Fed 51H

The following surface use plan of operations will be followed and carried out once the APD is approved. No other disturbance will be created other than what was submitted in this surface use plan. If any other surface disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be acquired prior to any new surface disturbance.

Before any surface disturbance is created, stakes or flagging will be installed to mark boundaries of permitted areas of disturbance, including soils storage areas. As necessary, slope, grade, and other construction control stakes will be placed to ensure construction in accordance with the surface use plan. All boundary markers will be maintained in place until final construction cleanup is completed. If disturbance boundary markers are disturbed or knocked down, they will be replaced before construction proceeds.

If terms and conditions are attached to the approved APD and amend any of the proposed actions in this surface use plan, we will adhere to the terms and conditions.

1. Existing Roads

a. The existing access road route to the proposed project is depicted on Exhibit 2A. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of this surface use plan.

b. The existing access road route to the proposed project does not cross lease or unit boundaries, so a BLM rightof-way grant will not be acquired for this proposed road route.

c. The operator will improve or maintain existing roads in a condition the same as or better than before operations begin. The operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattleguards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.

d. We will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or wind events. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.

2. New or Reconstructed Access Roads

a. An access road will be needed for this proposed project. See the survey plat for the location of the access road.

b. The length of access road needed to be constructed for this proposed project is about 1136 feet.

c. The maximum driving width of the access road will be 14 feet. The maximum width of surface disturbance when constructing the access road will not exceed 25 feet. All areas outside of the driving surface will be revegetated.

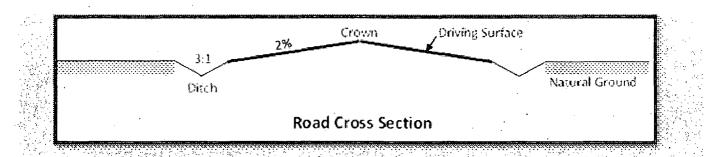
d. The access road will be constructed with 6 inches of compacted caliche.

e. When the road travels on fairly level ground, the road will be crowned and ditched with a 2% slope from the tip of the road crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes. See Road Cross Section diagram below.

EOG Resources

Ramblin Rose 23 Fed 51H

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.



f. The access road will be constructed with a ditch on each side of the road.

g. The maximum grade for the access road will be 2 percent.

h. No turnouts will be constructed on the proposed access road.

i. No cattleguards will be installed for this proposed access road.

j. No BLM right-of-way grant is needed for the construction of this access road.

k. No culverts will be constructed for this proposed access road.

1. No low water crossings will be constructed for the access road.

m. Since the access road is on level ground, no lead-off ditches will be constructed for the proposed access road.

n. Newly constructed or reconstructed roads, on surface under the jurisdiction of the Bureau of Land Management, will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

3. Location of Existing Wells

a. Exhibit 3 of the APD depicts all known wells within a one mile radius of the proposed well.

b. There is no other information regarding wells within a one mile radius.

4. Location of Existing and/or Proposed Production Facilities

a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, barrels, pipeline risers, meter housing, etc. that are not subject to safety requirements will be painted a non-reflective paint color, Shale Green, from the BLM Standard Environmental Colors chart, unless another color is required in the APD Conditions of Approval.

b. If any type of production facilities are located on the well pad, they will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location.

c. A production facility is proposed to be installed on the proposed well location. Production from the well will be processed on site in the production facility. Exhibit 2B depicts the location of the production facilities as they relate to the well and well pad.

d. The proposed production facility will have a secondary containment structure that is constructed to hold the capacity of 1-1/2 times the largest tank, plus freeboard to account for percipitation, unless more stringent protective requirements are deemed necessary.

e. Exhibit 2C depicts the production facility as well.

EOG Resources

Ramblin Rose 23 Fed 51H

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation or construction.

Additional Pipeline(s)

We propose to install 4 additional pipeline(s):

1. Surface natural gas for gas lifting pipeline:

a. We plan to install a 4 inch surface polyethylene pipeline from an existing gas lift line located at the Ramblin Rose 14 Fed #1 well to Ramblin Rose 23 Fed 51H location. The proposed length of the pipeline will be 1137 feet. The working pressure of the pipeline will be 124 psi or less. The pipeline will transport natural gas for gas lifting. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline will be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline will be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

b. Exhibit 5 depicts the proposed natural gas for gas lifting pipeline route.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

2. Surface produced water pipeline pipeline:

a. We plan to install a 4 inch surface polyethylene pipeline from Ramblin Rose 23 Fed 51H location to an existing produced water line located at the Ramblin Rose 14 Fed #1 well. The proposed length of the pipeline will be 1137 feet. The working pressure of the pipeline will be 124 psi or less. The pipeline will transport produced water pipeline. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline will be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline will be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

b. Exhibit 5 depicts the proposed produced water pipeline pipeline route.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

3. Surface produced water pipeline:

a. We plan to install a 4 inch surface polyethylene pipeline from Ramblin Rose 23 Fed 51H location to an existing produced water line at the Ramlin Rose 14 Fed #1 well. The proposed length of the pipeline will be 1137 feet. The working pressure of the pipeline will be 124 psi or less. The pipeline will transport produced water. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline will be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline will be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

b. Exhibit 5 depicts the proposed produced water pipeline route.

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

4. Surface natural gas to gas sales pipeline:

a. We plan to install a 4 inch surface polyethylene pipeline from Ramblin Rose 23 Fed 51H location to an existing gas sales line at the Ramblin Rose 14 Fed 1 location. The proposed length of the pipeline will be 1136 feet. The working pressure of the pipeline will be 124 psi or less. The pipeline will transport natural gas to gas sales. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline will be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline will be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-

b. Exhibit 5 depicts the proposed natural gas to gas sales pipeline route.

c. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

Electric Line(s)

a. We plan to install an overhead electric line for the proposed well. The proposed length of the electric line will be 1137 feet. Exhibit 5 depicts the location of the proposed electric line route. The electric line will be construction to provide protection from raptor electrocution.

b. The proposed electric line does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

5. Location and Types of Water

wavs.

a. The source and location of the water supply are as follows: This location will be drilled using a combination of water mud systems (outlined in the drilling program) The water will be obtained from commercial water stations in the area and hauled to location by trucks or poly pipelines using existing and proposed roads depicted on the proposed existing access road maps In these cases where a poly pipeline is used to transport fresh water for drilling purposes proper authorizations will be secured by the contractor.

b. Exhibit 5 depicts the proposed route for a 4 inch polyethylene temporary (<90 days) water pipeline supplying water for drilling operations.

6. Construction Material

a. Caliche utilized for the drilling pad will be obtained either from an existing approved mineral pit, or by benching into a hill, which will allow the pad to be level with existing caliche from the cut, or extracted by "Flipping" the well location. A mineral material permit will be obtained from BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for "Flipping" a well location is as follows:

*□

-An adequate amount of topsoil/root zone (usually top 6 inches of soil) will be stripped from the proposed well location and stockpiled along the side of the well location as depicted on the well site diagram/survey plat. -An area will be used within the proposed well site dimensions to excavate caliche.

Subsoil will be removed and stockpiled within the surveyed well pad dimensions.

-Once caliche/surfacing mineral is found, the mineral material will be excavated and stock piled within the approved drilling pad dimensions.

-Then, subsoil will be pushed back in the excavated hole and caliche will be spread accordingly across the entire

Page 4 of 9

EOG Resources Ramblin Rose 23 Fed 51H SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

well pad and road (if available).

-Neither caliche, nor subsoil will be stock piled outside of the well pad dimensions. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or federal land

7. Methods for Handling Waste

a. Drilling fluids and produced oil and water from the well during drilling and completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.

b. Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around the well site will be collected for disposal.

c. Human waste and grey water will be properly contained and disposed of properly at a state approved disposal facility.

d. After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a state approved disposal facility.

e. The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

8. Ancillary Facilities

a. No ancillary facilities will be needed for this proposed project.

9. Well Site Layout

a. The following information is presented in the well site survey plat or diagram:

i. reasonable scale (near 1":50')

ii. well pad dimensions

iii. well pad orientation

iv. drilling rig components

v. proposed access road

vi. elevations of all points

vii. topsoil stockpile

viii. reserve pit location/dimensions if applicable

ix. other disturbances needed (flare pit, stinger, frac farm pad, etc.)

x. existing structures within the 600' x 600' archaeoligical surveyed area (pipelines, electric lines, well pads, etc

b. The proposed drilling pad was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.

c. A title of a well site diagram is Exhibit 4. This diagram depicts the rig layout.

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

d. Topsoil Salvaging

i. Grass, forbs, and small woody vegetation, such as mesquite will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respread evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

10. Plans for Surface Reclamation

Reclamation Objectives

i. The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.

ii. The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.

iii. The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.

iv. If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.

v. Interim reclamation will be performed on the well site after the well is drilled and completed. Exhibit 2C depicts the location and dimensions of the planned interim reclamation for the well site.

Interim Reclamation Procedures (If performed)

1. Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production.

2. In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

4. Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

5. Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

6. The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

Final Reclamation (well pad, buried pipelines, etc.)

1. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.

2. All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

4. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture, free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

6. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.

7. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

11. Surface Ownership

a. The surface ownership of the proposed project is Federal.

12. Other Information

a. Company Representatives:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

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Land and Right of Way

Mr. Brian Pond Rights of Way and Lease Operations Representative EOG Resources, Inc. P.O. Box 2267 Midland TX 79702 (432) 686-3755 Office (432) 894-5977 Cell EOG Resources Ramblin Rose 23 Fed 51H

SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

Drilling

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Mr. Steve Munsell Drilling Engineer EOG Resources, Inc. P.O. Box 2267 Midland TX 79702 (432) 686-3609 Office (432) 894-1256 Cell

Operations

*□ Mr. Howard Kemp Production Manager EOG Resources, Inc. P.O. Box 2267 Midland TX 79702 (432) 686-3704 Office (432) 634-1001 Cell

Regulatory

Mr. Stan Wagner Regulatory Analyst EOG Resources, Inc. P.O. Box 2267 Midland TX 79702 (432) 686-3689 Office

Onsite Inspection

An onsite inspection was conducted with BLM Natural Resources Specialist Tanner Nygren and representatives from EOG Resources, Inc. to review the surface location, roads and infrastructure routes for the Ramblin Rose 23 Fed 51H.

13. Maps and Diagrams

Exhibit 2A - Existing Road

Exhibit 3 - Wells Within One Mile

Exhibit 2B - Production Facilities Diagram

Exhibit 2C - Additional Production Facilities Diagram

Exhibit 5 - natural gas for gas lifting Pipeline

Exhibit 5 - produced water pipeline Pipeline

Exhibit 5 - produced water Pipeline

Exhibit 5 - natural gas to gas sales Pipeline

Exhibit 5 - Electric Line

Exhibit 5 - Drilling Water Pipeline

EOG Resources Ramblin Rose 23 Fed 51H

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SHL: 600 FNL & 944 FWL, Section: 23, T.26S., R.31E. BHL: 230 FNL & 1966 FWL, Section: 14, T.26S., R.31E.

Exhibit 4 - Well Site Diagram Exhibit 2C - Interim Reclamation

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PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	EOG Resources
LEASE NO.:	LC064756
WELL NAME & NO.:	51H-Ramblin Rose 23 Fed
SURFACE HOLE FOOTAGE:	600'/N & 944'/W
BOTTOM HOLE FOOTAGE	230'/N & 1966'/W, sec. 14
LOCATION:	Sec. 23, T. 26 S., R. 31 E.
COUNTY:	Eddy County, New Mexico.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions

Permit Expiration

Archaeology, Paleontology, and Historical Sites

Noxious Weeds

Special Requirements

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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form. 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Phantom Bank Heronries

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

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E. • WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

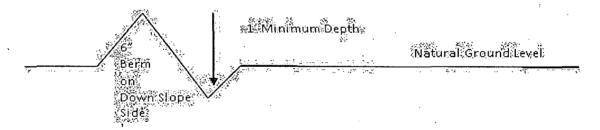
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\underline{400'}$ + 100' = 200' lead-off ditch interval $\underline{4\%}$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical

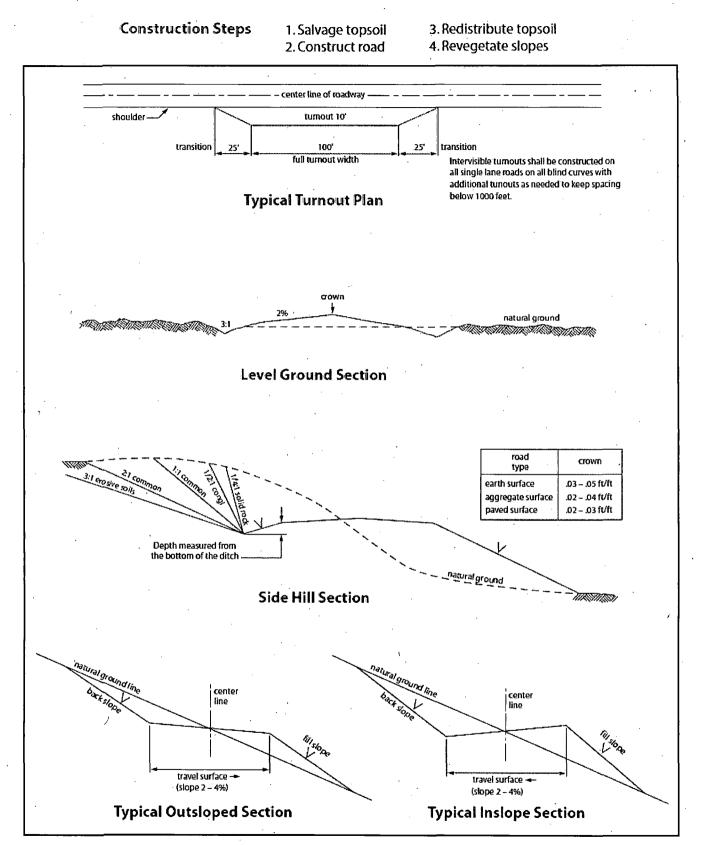
use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.





VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)

- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. Operator has stated that they will have monitoring equipment in place prior to drilling out of the surface shoe. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.
- Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possibility of water flows in the Salado and Castile. Possibility of lost circulation in the Rustler, Red Beds, and Delaware.

- The 13-3/8 inch surface casing shall be set at approximately 1640 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt. Excess calculates to 21% - Additional cement shall be required.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Cement to surface. If cement does not circulate see B.1.a, c-d above. Excess calculates to 18% - Additional cement shall be required.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi (Installing a 5M, testing to 2,000 psi).
 - a. For surface casing only: If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

 Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 3000 (3M) psi (Installing a 5M, testing to 3,000 psi).

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>: or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other

pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of $\underline{36}$ inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:

• Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)

Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed $\underline{30}$ feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

• The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to

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match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1

(X) seed mixture 2

() seed mixture 3() seed mixture 4

() seed mixture 2/LPC

() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment

of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall-inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 <u>et seq</u>. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42

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U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends

service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

• For reclamation remove poles, lines, transformer, etc. and dispose of properly.

• Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	l <u>b/acre</u>
	,
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed