

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 21 2015

N.M. OIL CONSERVATION DIVISION

811 S. FIRST STREET

ARTESIA, NM 88210

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

RECEIVED

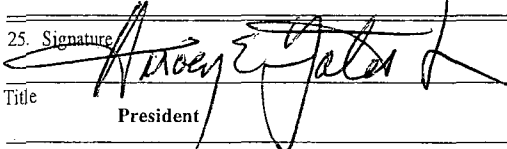
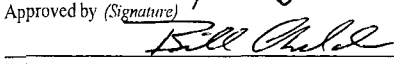
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-38313
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Jalapeno Corporation		7. If Unit or CA Agreement, Name and No. N/A
3a. Address P.O. Box 1608 Albuquerque, NM 87103-1608		8. Lease Name and Well No. Ysletano Canyon Federal #4
3b. Phone No. (include area code) 505-242-2050		9. API Well No. 30-035-20040
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 330' FSL & 330' FEL At proposed prod. zone Same		10. Field and Pool, or Exploratory Wildcat
11. Sec., T. R. M. or Blk. and Survey or Area Sec. 7, T-14S, R-11E		12. County or Parish Otero County
13. State NM		14. Distance in miles and direction from nearest town or post office* 6.7 miles from Tularosa
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330' from lease line & 330' from unit line	16. No. of acres in lease 973.42	17. Spacing Unit dedicated to this well P
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 900ft	19. Proposed Depth 1,800	20. BLM/BIA Bond No. on file B 002462
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5627' GL	22. Approximate date work will start* **	23. Estimated duration 90 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |


25. Signature 	Name (Printed/Typed) Harvey E. Yates, Jr.	Date 9/14/11
Title President		
Approved by (Signature) 	Name (Printed/Typed) Bill Childers	Date 9/2/15
Title District Manager	Office Las Cruces	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

** Approximately 90 days after APD approval by BLM and OCD, subject to rig availability.


9/22/2015

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-035-20040	Pool Code 98161	Pool Name WC-035-G-01-5141107P; Cisco
Property Code 315273	Property Name YSLATANO CANYON FEDERAL	Well Number 4
OGRID No. 26307	Operator Name JALAPEÑO CORPORATION	Elevation 5627'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	14-S	11-E		330	SOUTH	330	EAST	OTERO

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p>GEODETIC COORDINATES NAD 27 NMC</p> <p>SURFACE LOCATION Y=766436.4 N X=606019.4 E</p> <p>LAT.=33.106525° N LONG.=105.903771° W</p> <p>LAT.=33°06'23" N LONG.=105°54'14" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature <i>[Signature]</i> Date 6/9/11</p> <p>Printed Name Harvey E. Yates, Jr.</p> <p>E-mail Address _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 3, 2011</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>[Signature]</i> 6/09/2011</p> <p>Certificate Number: 3239 Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>DSS JWSC W.O.: 11.11.1279</p>
	<p>DETAIL</p> <p>5605.5' --- 5631.8'</p> <p>5618.5' --- 5646.4'</p> <p>600'</p> <p>S.L. SEE DETAIL 330'</p>

**Terms/Conditions of Approval/Stipulations/Design Features
(Attached Along With Mitigation Measures) for
Ysletano Canyon Federal #4 Well
Federal Lease NMNM 038313
Jalapeño Corporation
Otero County, New Mexico**

GENERAL PROVISIONS

The approval of the Application for Permit to Drill (APD) is in compliance with all applicable laws and regulations: 43 CFR 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.

If the permit terminates prior to drilling and this 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 is 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).

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.

The operator shall immediately notify the BLM Authorized Officer of any paleontological resources discovered as a result of operations under this authorization. The operator shall suspend all activities in the vicinity of such discovery until notified to proceed by the Authorized Officer and shall protect the discovery from damage or looting. The operator may not be required to suspend all operations if activities can be adjusted to avoid further impacts to a discovered locality or be continued elsewhere. The Authorized Officer will evaluate, or will have evaluated, such discoveries as soon as possible, but not later than 10 working days after being notified. Appropriate measures to mitigate adverse effects to significant paleontological resources will be determined by the Authorized Officer after consulting with the operator. Within 10 days, the operator will be allowed to continue construction through the site, or will be

given the choice of either: (1) following the Authorized Officer's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (2) following the Authorized Officer's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

The operator shall be held responsible if noxious weeds become established within all areas of operation (access road and/or well pad). 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 Environmental Protection Agency and Bureau of Land Management (BLM) requirements and policies.

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Las Cruces District Office at (575) 525-4300 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 on the well site and they shall be made available upon request by the Authorized Officer.

Topsoil will be stripped to approximately 6 inches in depth within the area designated for construction of the well pad. The operator shall stockpile the stripped topsoil in rows adjacent to the constructed well pad. This topsoil will be used for interim and final reclamation of the surface disturbance created by construction of the well pad.

Steel tanks are required for drilling operations: No Pits Allowed. The operator shall properly disposal of drilling contents at an authorized disposal site.

Surfacing of the well pad is not required. If the operator elects to surface the well pad, this material will be required to be removed at the time of reclamation.

Payment shall be made to the BLM prior to removal of any Federal mineral materials from any site. Call the Las Cruces District Office at (575) 525-4363 to obtain a contract for minerals.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational need.

The on lease access road shall be constructed to access the southwest corner of the well pad.

The access road shall have a driving surface that creates the smallest possible ground disturbance and does not exceed 14 feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed 30 feet.

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 will be required to be removed at the time of reclamation. Where possible, no improvements should be made on the un-surfaced

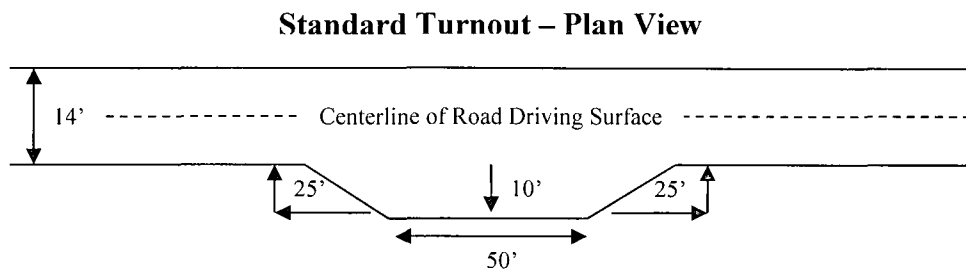
access road other than to remove vegetation as necessary, road irregularities, safety issues or to fill low areas that may sustain standing water.

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.

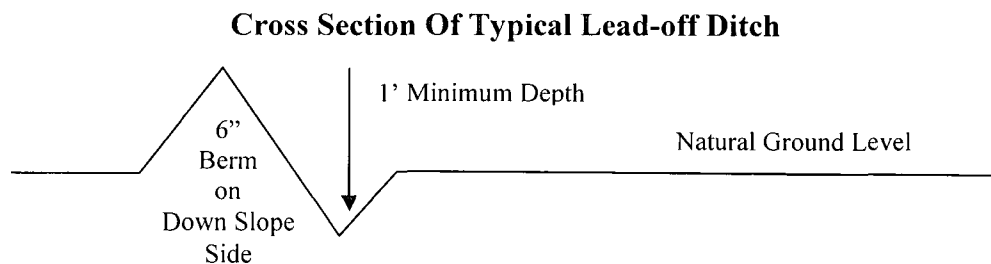
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2 percent (i.e., a 1-inch crown on a 14-foot wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching shall be required on both sides of the road.

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1,000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



Drainage control systems shall be constructed on the entire length of road (e.g., ditches, side-hill out-sloping and in-sloping, 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.



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 percent 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:

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

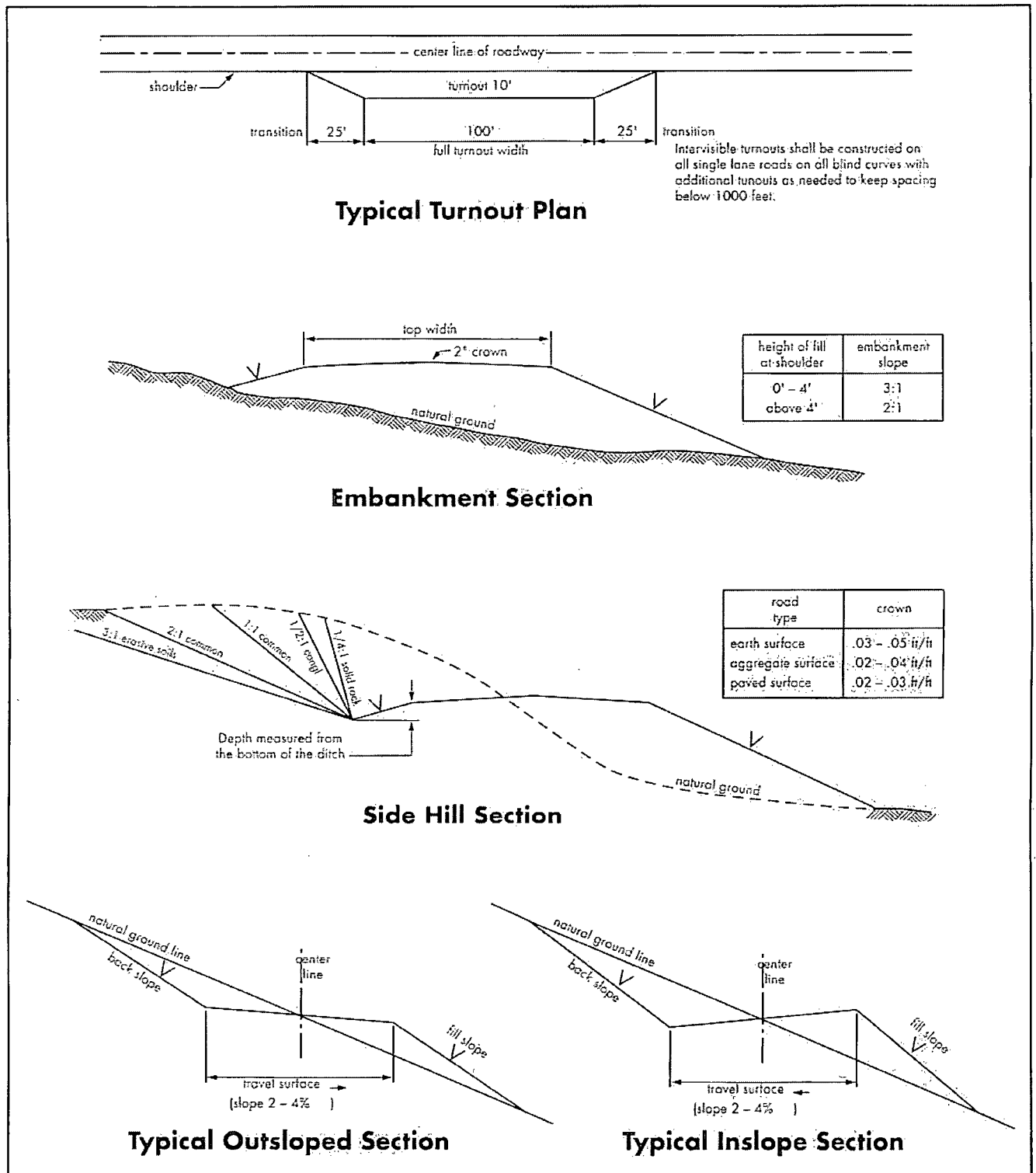
Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed and fastened securely with H-braces.

Where entry is required across a fence-line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. No locks shall be installed on gates unless prior approval is granted from the Authorized Officer. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

The operator shall permit properly identified authorized representatives to enter upon, travel across and inspect lease sites and records normally kept on the lease pertinent thereto without advance notice.

Figure 1 – Cross Sections and Plans For Typical Road Sections



DOWN-HOLE REQUIREMENTS

1. Drilling Operations Requirements

- a) Call the Roswell Field Office, 2909 West Second St., Roswell, NM 88201. During office hours or after hours call (575) 627-0205. Engineer on call, during office hours call (575) 627-0275 or after office hours call (575) 626-5749.
- b) The BLM is to be notified a minimum of 24 hours in advance for a representative to witness:
 - 1. Spudding well
 - 2. Setting and/or cementing of all casing strings
 - 3. BOPE Tests
- c) 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.
- d) Include the API Number assigned to the well by NMOCD on the subsequent report of setting the first casing string.
- e) Operator will accurately measure the drilling rate in ft/min to set the base of the usable water protection casing string(s) opposite competent rock. The record of the drilling rate along with the caliper-gamma ray-neutron well log run to surface will be submitted to this office as well as all other logs run on the borehole 30 days from completion
- f) Fresh water gel and non-toxic drilling mud shall be used to drill to the base of the usable water protection casing string(s). Any polymers used will be water based and non-toxic.

2. Casing

- a) The 7-inch usable water protection casing string(s) shall be set between 500 feet and 600 feet in competent bedrock.

If not the operator is required to set usable water protecting casing in the next thick competent bedding (i.e., 15 to 25 feet or greater) encountered and cemented to the surface.

- b) If cement does not circulate to the surface, the Roswell Field Office shall be notified. A temperature survey utilizing an electronic type temperature device with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- c) Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).

- d) WOC time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
- e) If cement falls back, remedial action will be done prior to drilling out that string.
- f) The minimum required fill of cement behind the 4½-inch production casing is sufficient to tie back 500 feet above the uppermost perforation in the pay zone. If cement does not circulate, a temperature survey utilizing an electronic type temperature device with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- g) If hard-band 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.
- h) All casing shall be new or reconditioned and tested casing and meet API standards for new casing. The use of reconditioned and tested casing shall be subject to approval by the Authorized Officer. Approval will be contingent upon the wall thickness of any casing being verified to be at least 87½-percent of the nominal wall thickness of new casing.

3. Pressure Control

- a) Before drilling below the 7-inch surface casing shoe, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.
- b) Before drilling below the 7-inch surface casing shoe, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2,000 psi.
- c) The BOPE shall be installed before drilling below the 7-inch surface casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- d) The BLM Roswell Field Office shall be notified a minimum of 24 hours in advance for a representative to witness the tests.
- e) The tests shall be done by an independent service company. Copies of test shall be sent to the Roswell Field 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.

- g) 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 BLM Las Cruces District Office at 1800 Marquess Street, Las Cruces, NM 88005. A copy should also be sent the BLM Roswell Field Office at 2909 West Second Street, Roswell, NM 88201.
- h) Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- i) Testing must be done in a safe workman like manner. Hard line connections shall be required.

4. Production

- a) Placement of Production Facilities – production facilities should be placed on the well pad to allow for maximum interim re-contouring and re-vegetation of the well location.
- b) Containment Structures – the containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

5. Painting Requirement

- a) All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, Juniper Green (Standard Environmental Color Chart June 2008).

6. VRM Facility Requirement

- a) Tanks not greater than 15 feet-high shall be used.

7. Interim Reclamation

- a) During development, all disturbed areas not needed for active support of production operations shall undergo “interim” reclamation in order to minimize the environmental impacts of development on other resources and uses. Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting). The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.
- b) During reclamation, removal of caliche is important to increasing the success of re-vegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete work-over operations, it may be necessary to drive, park, and operate on restored interim vegetation within the previously disturbed area. Disturbing re-vegetated areas for

production or work-over operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be re-vegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

FINAL ABANDONMENT AND REHABILITATION REQUIREMENTS

Upon well abandonment and/or when the access road is no longer in service, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.

On private surface/Federal mineral estate land, reclamation procedures on the road and well pad shall be accomplished in accordance with private surface landowner agreements and a copy of the release is to be submitted upon abandonment.

Upon well abandonment, all casing shall be cut-off at the base of the cellar or 3-feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼-inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, operator name, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the Authorized Officer; such as metes and bounds).

Surface reclamation must be completed within 6 months of well plugging. If the operator proposes to modify plans for surface reclamation approved on the APD, operator must attach these modifications to the Subsequent Report of Plug and Abandon using Sundry Notices and Reports on Wells, Form 3160-5.

PIPELINE PROTECTION REQUIREMENT

Precautionary measures shall be taken by the operator during construction of the access road to protect existing pipelines that the access road will cross over. An earthen berm; 2 feet high by 3 feet wide and 14 feet across the access road travel-way (2 feet by 3 feet by 14 feet), shall be constructed over existing pipelines. The operator shall be held responsible for any damage to existing pipelines. If the pipeline is ruptured and/or damaged, the operator shall immediately cease construction operations and repair the pipeline. The operator shall be held liable for any unsafe construction operations that threaten human life and/or cause the destruction of equipment.

Special Stipulation

If frac ponds are necessary, submit for approval a Right-of-Way Application or Sundry Notice (Form 3160-5) to the BLM, Roswell Field Office, 2909 West Second, Roswell, NM 88201. If a frac pond is located on private/State surface for the enhanced production of Federal minerals, BLM approval is necessary.

The frac pond will only be authorized to contain freshwater, and testing of water quality is required. Additives are not allowed without consent of the Authorized Officer. If at any time,

water in the frac pond becomes polluted with salts or other contaminants, its use will cease and desist, and all liquids will be removed and disposed of properly. Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for reclamation.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Las Cruces District Office
1800 Marquess Street
Las Cruces, New Mexico 88005
www.blm.gov/nm



In Reply Refer To:

NMNM 038313
3160 (L0310)

SEP 3 2015

CERTIFIED--RETURN RECEIPT REQUESTED
7014 1200 0002 2774 8256

DECISION

Harvey E. Yates, Jr. :
Jalapeño Corporation :
P.O. Box 1608 :
Albuquerque, NM 87103-1608 :

Application for Permit to Drill or Reenter Approved: Ysletano Canyon Federal #4

The Bureau of Land Management (BLM) Las Cruces District Office (LCDO) has completed review of your Application for Permit to Drill and accompanying Surface Use Plan of Operations and Drilling Plan, Drilling and Operations Program and Hydrogen Sulfide Drilling Operation Plan for the proposed well, Ysletano Canyon Federal #4, on the subject Federal Oil and Gas Lease NMNM 038313. This permit is approved subject to the standards defined in 43 CFR 3100 and the enclosed Conditions of Approval (COA) developed for your proposal in accordance with 43 CFR 3101.1-3. This project is currently bonded with the BLM (Bond Number B 002462).

The legal description provided on Form 3160-3 is:

New Mexico Principal Meridian, New Mexico
T. 14 S., R. 11 E.,
sec. 7, SE1/4SE1/4.

If you contend that you are adversely affected by this decision, you may appeal this decision directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your

appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below.

Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- 1) The relative harm to the parties if the stay is granted or denied,
- 2) The likelihood of the appellant's success on the merits,
- 3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- 4) Whether the public interest favors granting the stay.



Bill Childress
District Manager

3 Enclosures:

- 1 – Conditions of Approval
- 2 – Form 3160-3
- 3 – Form 1842-1

cc:

- ✓ NM Oil Conservation Division
- BLM Roswell Field Office (2 copies)