Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

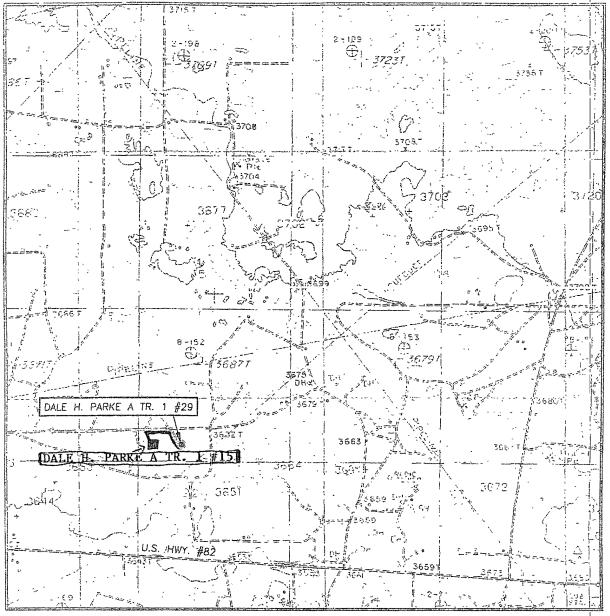
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FORM APPROVED

OMB NO. 1004-	
Expires: July 31,	201
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	R	GEMENT	Section 1	•		ires: July 31,	2010	
	SUNDRY	OTICES AND REPORTS ON WELLS form for proposals to drill or to re-enter an			5. Lease Serial N NMNM0467	930		
	abandoned we	ell. Use form 3160-3 (APD) for such proposals.		6. If Indian, Allo	tee or Tribe N	ame		
	SUBMIT IN TRI	PLICATE - Other instruc	tions on revers	e side.		7. If Unit or CA/	Agreement, N	ame and/or No.
1. Type of Well ☑ Oil Well	Gas Well Oth					8. Well Name and DALE H. PAF		29
2. Name of Opera MARBOB EI	tor NERGY CORPOR	Contact: RATION E-Mail: landtech@				9. API Well No. 30-015-357		
P.O. BOX 22 ARTESIA, N	M 88210	,	3b. Phone No. (in Ph: 505-748-3		ie)	10. Field and Poo LOCO HILL	S; GLORIE	TA-YESO
4. Location of We	II (Footage, Sec., T	., R., M., or Survey Description,		-	_	11. County or Pa	rish, and State	:
Sec 22 T17S R30E NENW 990FNL 2210FWL		NOV 0 5 2007			EDDY COU	NTY COUN	ITY, NM	
	O CHECK APPL	ODDIATE DOV(EQ) TO		CD-ARTE		EDORT OR OTH	UED DAT	
		ROPRIATE BOX(ES) TO	INDICATE N.	·		EPORT, OR OTH	HER DATA	
TYPE OF S	UBMISSION			TYPE (OF ACTION			
⋈ Notice of I	ntent	☐ Acidize	Deeper		· · · · · · · · · · · · · · · · · · ·	tion (Start/Resume		ater Shut-Off
Subsequen	t Report	Alter Casing	Fractur		Reclam	1	□ w ⊠a Ot	ell Integrity
_	donment Notice	☐ Casing Repair ☐ Change Plans	New Construction Plug and Abandon		_	☐ Recomplete ☐ Temporarily Abandon		Hei
L I mai Aban	dominent route	Convert to Injection	Plug B		☐ Vater I	!		
If the proposal Attach the Bon following comp testing has beet determined that Marbob Ene Tr. 1 #29 we Energy also	is to deepen directions d under which the wo letion of the involved a completed. Final Al the site is ready for fi rgy Corporation re lipad be changed	espectfully requests that the to the existing battery at the flowline route use the existing the	give subsurface loc the Bond No. on fi sults in a multiple c ed only after all req ne battery location the Dale H. Park	rations and meatle with BLM/B ompletion or reuirements, include on on the Date A Tr. 1 #1	Isured and true v IA. Required su ecompletion in a uding reclamation ale H. Parke A	ertical depths of all bsequent reports sha new interval, a Forn n, have been compl	pertinent marl ill be filed wit n 3160-4 shall	kers and zones. hin 30 days be filed once
14. I hereby certif	y that the foregoing is	Electronic Submission # For MARBOB EN						
Name (Printed/	Typed) NANCY A	GNEW	Т	itle LAND	DEPARTME	NT		
Signature	(Electronic S	Submission)	D	ate 10/02/	/2007			
		THIS SPACE FO	OR FEDERAL	OR STATI	OFFICE U	SE		
Approved By		on_Peterson — _		Title F	LD MAI	IAGER	OCT !	Pate 2007
certify that the application	vai, ii aiiy, are attache cant holds legal or eoi	d. Approval of this notice does uitable title to those rights in the	subject lease					

LOCATIC I VERIFICATION MAP



SCALE: 1'' = 2000'

SEC. 22 TWP. 17-S RGE. 30-E SURVEY___ N.M.P.M. COUNTY EDDY STATE NEW MEXICO DESCRIPTION 990' FNL & 2210' FWL 3679' ELEVATION_____ OPERATOR PREMIER OIL & GAS, INC. LEASE DALE H. PARKE A TR. 1

U.S.G.S. TOPOGRAPHIC MAP LOCO HILLS, N.M.

CONTOUR INTERVAL: LOCO HILLS, N.M. - 10'

Existing Roads Flowline Route



PROVIDING SURVEYING SERVICES SINCE 1946 JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (505) 393-3117

EXHIBIT #2

BLM Lease Number: NM-0467930 Company Reference: Marbob Energy Corporation Well # & Name: Dale H. Parke Tr. 1 #29

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Sundry Notice 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 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, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of 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. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:

- (1) Land clearing.
- (2) Earth-disturbing and earth-moving work.
- (3) Blasting.
- (4) Vandalism and sabotage.

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

- 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, 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, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the 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 the holder of any responsibility as provided herein.
- 6. All construction and maintenance activity will be confined to the authorized right-of-way width of ______ feet.
- 7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.
- 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. 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.

- 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. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. 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. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. 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 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.

See attached timing limitation for the Lesser Prairie Chicken.

(March 1989)

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the locations described below:

T. 17 S., R. 30 E. Section 22: ALL

For the purpose of: Protecting Prairie Chickens:

Activities that produce noise or involve human activity will not be allowed between 3:00 am and 9:00 am in lesser prairie-chicken habitat during the period from March 15 through June 15 annually. Additionally, no new drilling will be allowed within 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. The proposed action will be allowed during the period from March 15 through June 15, provided that no personnel are on site between the hours of 3:00 am and 9:00 am. Furthermore, no equipment (including mud pumps and generators) will be allowed to operate during these hours.

Bureau of Land Management Carlsbad Field Office SENM-S-22 December 1997 Modified 2007