

STIPULATIONS AND ENVIRONMENTAL CONDITIONS OF APPROVAL  
FOR BRIGHT & COMPANY OIL WELL NUMBER 35-2

**A. Construction and Drilling Operation**

**1. Snow Removal**

If there is snow on the ground when construction begins, the operator will remove it before the soil is disturbed, and pile it downhill from the topsoil stockpiles.

**2. Topsoil Stockpile**

Topsoil shall be stripped from the permitted area (4"-6" deep) and be deposited in storage piles apart from other excavated material. After the desired amount of material has been removed, and the resulting pit has been trimmed and smoothed as required, the stored topsoil shall be evenly spread over exposed subsoil to the extent that may be practicable and shall be revegetated. Caliche/gravel will be utilized to stabilize the pad area.

**3. Reserve Pit**

Large vegetation such as sagebrush, juniper and pinon will not be incorporated in the pit walls. Sagebrush removed during the clearing operations will be placed in drainages and "walked down" by a crawler-type tractor. If no drainages are nearby and archeologically cleared, sagebrush will be buried in the reserve pit when it is filled in. All uprooted vegetation not subsequently buried will be scattered so it does not detract from the natural appearance of the area and does not accelerate erosion.

The reserve pit will have a minimum of one-half the total depth below the original ground surface at the lowest point within the pit and will be designed to prevent the collection of surface runoff.

Mud pits and blow pits will be constructed so as not to leak, break, or allow discharge of liquids. The bottom of the reserve pit shall not be in fill material. Pits are not to be located in natural drainages. All pits will be lined with an impervious material at least 12 mil thick and/or 200 psi resistance. Any plastic material used to line pits must be removed to below-ground level before pits are covered. Pit walls are to be "walked down" by a crawler-type tractor following construction and prior to usage.

All unguarded pits containing liquids will be fenced.

**4. Fencing Options**

A. Fence the reserve pit with four strand fencing on three sides during the drilling phase and the fourth side immediately after the rig is removed. Wooden H bracing must be constructed at all corners, utilizing six (6) inch diameter wooden posts.

B. Fence entire drill site. Fencing will be done as soon as site preparation is completed and will remain in place until the pit(s) are filled in and necessary site revegetation is accomplished to the satisfaction of the Forest Service. Wooden H bracing must be constructed at all corners, utilizing six (6) inch diameter wooden posts.

If the entire drill site is fenced, a gate or cattleguard will be installed for access.

Cattleguards must be installed with side wings. The fence on both sides of the cattleguard must be reinforced with wooden H bracing, utilizing six (6) inch diameter wooden posts. A 12 foot gate must be installed between the cattleguard and brace assemblies on whichever side of the cattleguard is most convenient. If the gate is made of wire, it must have at least four horizontal strands of barbed wire with at least four three (3) inch vertical wood stays evenly spaced. When the gate is closed, the wires must be taut.

Cattleguards must be at least 8 feet wide. The length is left to the discretion of the operator. The cattleguard must be set on concrete or pressure treated wood bases.

All cattleguards must have clearly visible identification marks welded into them indicating the ownership, well name and number associated with the cattleguard.

**5. Equipment and Vehicles**

All equipment and vehicles must be confined to the access road and pad.

**6. Timber Disposal**

Timber will be stockpiled as indicated on the APD. Bulldozing entire tree into a pile will not be allowed. Whole tree removal (minus the stump) and pushing or skidding is acceptable as long as entire tree is made available for fuelwood cutting. Burying trees (with the exception of the stumps) will not be allowed. Stump burying is required. No burning of trees or branches is authorized.

**7. Sanitation**

The operator and maintenance of all sanitation, food service, and water-supply methods, systems, and facilities shall comply with the standards of the local and state authorities and the Federal Water Pollution Control Administration of the United States. The holder shall dispose of all garbage and refuse in a place and manner specified by the Forest Officer in charge. Sewage will be confined to a chemically-treated portable unit on location. Burying of sewage will not be allowed.

## **8. Refuse Disposal**

The holder shall dispose of refuse resulting from this use, including waste materials, garbage, and rubbish of all kinds in an approved sanitary landfill or appropriate recycling center. A trash cage must be on location throughout all drilling, testing and completion activities. Burying trash or trash in the reserve pit will not be allowed. Burning of trash will not be allowed.

## **9. Rat and Mouse Hole**

For safety purposes, the rat/mouse hole must be filled and compacted immediately after the rig is removed.

## **10. Hydrocarbons and Produced Water**

Produced hydrocarbons shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work. Under no circumstances will pits be cut and drained. No produced water is to be released from the storage tanks but is to be physically removed from the site.

## **11. Well Water and Ground Water**

One water well location, adjacent to the existing reserve pit at well number 35-1, is approved. All state permits are required prior to drilling the well. State procedures concerning disposal of saltwater will be followed. Fiberglass tanks or lined pits will be used to store saltwater prior to disposal. The proposed water well is to remain functional throughout the duration of this project and the well will revert to government ownership once the project is completed.

## **12. Spills**

The operator shall inform the Forest Service immediately of the nature, time, date, location, and action taken for any oil or hazardous substance spill (including salt water). The operator shall list all hazardous substances to be used by the drilling operator, and provide this list to the Forest Service.

## **13. Explosives**

Should the use of explosives be required during construction the operator shall comply with all applicable local, State, and Federal laws, regulations and requirements involving the storage, handling, preparation and use thereof. Prior to any blasting, the District Ranger will be notified and an approved blasting plan will be prepared.

## **14. Company Signs**

Drilling company signs will be allowed on National Forest System lands during the construction and drilling phase.

## **15. Archaeological-Paleontological Discoveries**

If, prior to or during excavation work, items of archaeological, paleontological, or historic value are reported or discovered, or an unknown deposit of such items is disturbed, the holder will immediately cease excavation in the area so affected. Holder will then notify the Forest Service and will not resume excavation until written approval is given by the authorized officer.

If it deems it necessary or desirable, the Forest Service may require the holder to have performed recovery, excavation, and preservation of the site and its artifacts at the holder's expense. At the option of the Forest Service, this authorization may be terminated at not liability by the United States when such termination is deemed necessary or desirable to preserve or protect archaeological, paleontological, or historic sites and artifacts.

## **16. Notification**

Notify the Forest Service (505) 289-3265 forty eight hours in advance of any pad construction.

## **17. Drainage**

The drainage shall be diverted around the west side of the well pad and will have "catch-dams" installed every 50 feet.

## **18. Slope Ratios**

The final cut slope shall not exceed a 3:1 ratio. The final fill slope shall not exceed a 3:1 ratio. To obtain this ratio, pits and slopes shall be backsloped into the pad upon completion of drilling and prior to setting production equipment. Construction slopes can be much steeper during drilling, but will be contoured to the above final slopes upon pit reclamation.

## **B. Producing Well**

### **1. Production Facilities**

Production facilities (including dikes) will be placed on cut and located a minimum of        feet from the toe of the backcut.

### **2. Spacing of Facilities**

Maintain a minimum distance of seventy five (75) feet between individual production facilities (treater/separator, storage tanks, well head/pumpjack, etc.).

### **3. Diking**

All storage facilities (including salt water tanks) must be diked. The dikes must be constructed of compacted subsoil, be impervious, be sufficient in size to contain the storage capacity of the facility being diked and be independent of the backcut. The dike must be covered with a layer of gravel/caliche to alleviate wind erosion. The loadout line must remain inside the dike.

### **4. Wind Erosion**

Gravel/caliche will be placed around the bases of well/meter buildings to alleviate wind erosion.

### **5. Roads & Surfacing**

The access road must be crowned and ditched and surfacing of the access road will be required if maintenance becomes inadequate without gravel or caliche. Excessive rutting, drive arounds etc., would precipitate this action.

### **6. Reserve Pit**

The reserve pit will be backfilled and reclaimed when dry. In addition; stockpiled material will be evenly distributed and landscaped to the surrounding topography over all areas on the pad which are not needed for production. Any caliche/gravel which was placed on areas to be reclaimed will be removed prior to the reclamation process. (The caliche can be placed on roads designated by the Forest Service). The fluid level, within the pit, is to be maintained at least two (2) feet below the lowest point of the pit wall.

### **7. Reclamation Requirements**

Refer to C-2, and C-3 for reclamation requirements.

### **8. Gravel or Caliche**

All areas on the pad which are not to be revegetated or which are not needed for facilities, are to be surfaced with caliche or gravel. Thereafter, periodic additions of gravel or caliche will be required in order to maintain a rut-free surface for driving and equipment handling.

### **9. Painting**

All production facilities, i.e. pump, pump house, storage tanks, treater, etc., will be painted with a lusterless color. The color is to be Sand Beige (5Y6/3 from the Munsell Standard Color Chart. The exception being that Occupation Health and Safety Act Rules and Regulations are to be complied with where special safety colors are required. All facilities must be painted within six months of installation.

### **10. Spark Arrester and Engine Mufflers**

A muffler or spark arrester satisfactory to the authorized officer shall be maintained on the exhausts of all trucks and tractors or other internal combustion engines used in connection with this permit.

### **11. Fencing Options**

A. Maintain fence around entire drill site, with a cattleguard for access.

B. Fence individual facilities, the pump jack (including well head), treater, tank battery and production pit with cattle tight fencing. The fence around the tank battery and treater must be constructed on the outside perimeter of the dikes.

Wooden H braces must be constructed at all corners and a gate for access must be provided at each facility.

### **12. Noxious Weed/Plant Control**

Control of noxious weeds that invade the well pad and access road is required. Pesticides may not be used to control undesirable woody and herbaceous vegetation, aquatic plants, insects, rodents, trash fish, etc., without the prior written approval of the Forest Service. A request for approval of planned uses of pesticides will be submitted annually by the holder on the due date established by the authorized officer. The report will cover a 12-month period of planned use beginning 3 months after the reporting date. Information essential for review will be provided in the form specified. Exceptions to this schedule may be allowed, subject to emergency request and approval, only when unexpected outbreaks of pests require control measures which were not anticipated at the time an annual report was submitted.

Only those materials registered by the U.S. Environmental Protection Agency for the specific purposes planned will be considered for use on National Forest System lands. Label instructions will be strictly followed in the application of pesticides and disposal of excess materials and containers. Any barrels of chemicals or fluids needed to maintain well operations will be stored within berm areas.

### **13. Facility Identification**

Individual well facilities (oil, gas, injection, saltwater, etc.) shall have a sign in legible condition until final abandonment. The sign will show the operator's name, lease name or unit number, well name and number and location (quarter section, township, range and footages from section lines).

### C. Abandoned Well

#### 1. Abandonment Marker

A permanent abandonment marker inscribed with operator, well number, and location (quarter section, township, range) is required. This marker will be 24 inches below the surface level so that it has 24 inches of soil cover after final reclamation.

#### 2. Reclamation Requirements

All disturbed areas will be scarified and all caliche/gravel will be removed from the location. The cut and fill slopes will be recontoured to original contours. The entire disturbed area will then be backfilled with topsoil, landscaped, seeded, mulched, and fenced to exclude livestock. On slopes greater than 4% waterbars (contour ditches) will be constructed on the contour at seventy-five (75) foot intervals beginning at the top of the disturbed slope. They should be at least one (1) foot deep, with approximately two (2) feet of drop per one hundred (100) feet and with the berm on the downhill side. Compacted areas of the well pad will be plowed or ripped to a depth of twelve (12) inches before reseeding. Recommended seeding is between December 1 and April 1, or July 1 and September 1. Seeding will be done with a disc-type drill with two boxes for various seed sizes. The drill rows will be eight (8) to ten (10) inches apart. The seed will be planted between one-half (1/2) and three-fourths (3/4) inch deep. The seeder will be followed with a drag, packer or roller to insure uniform coverage of the seed, and adequate compaction. Drilling of the seed will be done on the contour where possible. Where slopes are too steep for contour drilling a "cyclone" hand-seeder or similar broadcast seeder will be used, using twice the recommended seed per acre. Seed will then be covered to a depth described above by whatever means is practical. The fence will remain in place until vegetation has been established. It will be removed prior to approval of final abandonment.

Actual seed mix used must be approved by the Forest Service. The following seed mixture is recommended for reclamation:

<u>Species</u>	<u>Pounds of Seed per Acre</u>	<u>% of Mixture</u>
Mountain Brome	0.4	25
Yellow Sweet Clover	1.2	20
Western Wheatgrass	1.0	40
Burnett	0.1	15
TOTALS	2.7	100

To maintain purity and quality, certified seed will give the best results.

All disturbed areas will be mulched at the rate of 20 tons of manure/acre or 2 tons/acre of native grass hay/straw. The mulch must be crimped into the surface.

The operator may have to mow weeds the first year after vegetation is established.

Reclamation will be approved (minimum timeframe of two growing seasons) when the established vegetative cover is equal to 70% of the adjacent areas. The operator's bond will not be released until the area has been successfully reclaimed.

#### 3. Roads

If, upon abandonment of the well(s), the retention of the access roads is not considered necessary for the management and multiple use of the natural resources, it will be ripped to a minimum of twelve (12) inches in depth. All ripped surfaces are to be protected from the vehicular travel by construction of a dead-end ditch and earthen barricade at the entrance to these ripped areas. Reseeding of the affected area will be required.

#### **D. Mitigations for Well Drilling**

##### **1. Fluid Cutting Disposal**

Require one of the following methods of fluid/cutting disposal:

- A. A closed pit system (no earthen pit) utilizing steel tanks for drilling fluids and cuttings. All materials removed from location and disposed of at a State approved disposal site.
- B. Reserve pit (earthen pit) lined, utilizing 12 mill plastic liner or liner capable of 200 psi puncture resistance or equivalent strength liner. All fluids will be pumped from the pit immediately upon rig release. This measure also pertains to the reserve pit located at site 35-1. Drill cuttings can be buried in the pit. A forest representative will monitor installation of the liner, and pumping of fluids. All fluids and hydrocarbons associated with the testing and completion operations will be pumped from the pit. Backfilling of the pit will not proceed until approved by the Forest Service.

##### **2. Pipelines**

Pipelines will be buried to transport hydrocarbons/saltwater from the well site to the storage and production facility.

##### **3. Notification**

Notify the Forest Service, Dan Lentz, at (505) 289-3254 and the BLM, Pat Hester, at (505) 761-8786 forth eight (48) hours in advance of any fluids being pumped from the pit.

## **E. Fire**

### **1. Fire Suppression & Inspections**

The operator shall do everything reasonable within its power and shall require its employees, contractors, and employees of contractors to do everything reasonable within their power, both independently and upon request of the Forest Service to prevent and suppress fires on or near the lands to be occupied under this permit. In case of fire, the operator shall report its occurrence to the Forest Service immediately. The operator is responsible for all suppression cost for any fire resulting from his/her operations and practices.

Each vehicle shall carry, as a minimum, a shovel and fire extinguisher. See E-4 for type of fire extinguisher.

Fire inspections will be held to check above requirements.

### **2. Burning**

No material shall be disposed of by burning in open fires during the closed season established by law or regulation, or during periods of high to extreme fire danger, without a written permit from the Forest Service.

### **3. Spark Arrester and Engine Mufflers**

A muffler or spark arrester satisfactory to the authorized officer shall be maintained on the exhausts of all trucks and tractors or other internal combustion engines used in connection with this permit.

### **4. Fire Extinguishers**

Fire extinguishers: Type ABC:	One 2 pound per pickup -or-
	One 5 pound for drill rigs and trucks over 1 ton GV.
	One 10 pound per dozer, scraper or other earthmoving equipment.

### **5. Smoking**

All smoking will be done inside of vehicles or in areas cleared of flammable material.

### **6. Welding**

There will be no welding when winds over 20 mph occur.

## **F. Miscellaneous**

### **1. Health, Safety, and Environmental Protection**

Holder shall take all measures necessary to protect the health and safety of all persons affected by its activities performed in connection with the construction, operation, maintenance, or termination of the right-of-way, and shall promptly abate as completely as possible any physical or mechanical procedure, activity, event, or condition, existing or occurring at any time: (1) that is susceptible to abatement by the holder, (2) which arises out of, or could adversely affect the construction, operation, maintenance, or termination of all or any part of the construction of the drilling pad and drilling operation, and (3) that causes or threatens to cause: (a) a hazard to the safety of workers or the public health or safety, or (b) serious and irreparable harm or damage to the environment (including but not limited to areas of vegetative or timber, fish or other wildlife populations, or their habitats, or any other natural resource). Holder shall immediately notify the authorized officer of all serious accidents which occur in connection with such activities.

### **2. Area Maintenance**

The permitted area will be maintained to present a clean, neat, and orderly appearance. Trash, debris, unusable machinery, improvements, etc., will be disposed of currently. Building materials, etc., will be neatly stacked.

### **3. Environmental Standards**

The holder shall conduct all activities associated with this construction of the drilling pad and drilling operation in a manner that will avoid or minimize degradation of air, land, and water quality. In the construction, operation, maintenance, and termination of this construction of the drilling pad and drilling operation, the holder shall perform its activities in accordance with applicable air and water quality standards, related facility siting standards, and related plans of implementation, including but not limited to standards adopted pursuant to the Clean Air Act, as amended (42 USC 1857) and the Federal Water Pollution Control Act, as amended (33 USC 1321).

### **4. Water Pollution**

No waste or byproduct shall be discharged into water if it contains any substance in concentrations which will result in harm to fish and wildlife, or to human water supplies.

Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters or channels leading into water, that would result in harm to fish and wildlife or to human water supplies.

### **5. Esthetics**

The holder shall protect the scenic esthetic values of the area under this permit, and the adjacent land, as far as possible with the authorized use, during construction, operation, and maintenance of the improvements.

### **6. Surveys, Land Corners**

The holder shall protect, in place, all public land survey monuments, private property corners, and Forest boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of the privileges authorized by this permit, depending on the type of monument destroyed, the holder shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States," (2) the specification of the county surveyor, or (3) the specification of the Forest Service.

Further, the holder shall cause such official survey records as are affected to be amended as provided by law. Nothing in this clause shall relieve the holder's liability for the willful destruction or modification of any Government survey marker as provided at 18 U.S.C. 1858.

### **7. Vandalism**

The holder will take reasonable measures to prevent and discourage vandalism or disorderly conduct, and when necessary, will call in the appropriate law enforcement officer.

### **8. Revegetation, Surface Restoration and Ground Cover**

The holder shall be responsible for prevention and control of soil erosion and gullying on lands covered by this permit and adjacent thereto, resulting from construction, operation, maintenance, and termination of the permitted use. Holder shall so construct permitted improvements to avoid the accumulation of excessive heads of water and to avoid encroachment on streams. Holder shall revegetate or otherwise stabilize all ground where the soil has been exposed and shall construct and maintain necessary preventive measures to supplement the vegetation.

### **9. Butane and Propane Installations**

All butane, propane, or other liquified petroleum gas equipment shall be installed and operated in accordance with the laws and regulations of the State.



#### **10. Pollution**

The holder shall take reasonable precautions to prevent pollution of or deterioration of lands or waters which may result from the exercise of the privileges extended by this permit. In particular, the holder shall at all times comply with applicable local, State, and Federal requirements for pollution abatement. Failure of the holder to so comply may result in termination or suspension of this authorization.

#### **11. Area Access**

The holder agrees to permit the free and unrestricted access to and upon the premises at all times for all lawful and proper purposes not inconsistent with the intent of the permit or with the reasonable exercise and enjoyment by the holder of the privileges thereof.

#### **12. Subleasing, Requirements**

The holder, in the exercise of the privileges granted by this permit, shall require that employees, sub-lessees, contractors, subcontractors, or renters and their employees comply with all applicable conditions of this permit and that the conditions of this permit be made a part of all subleases, contracts, subcontracts, or rental agreements. This clause shall not be construed as authorizing such subleases, contracts, subcontracts, or rental agreements unless specifically authorized elsewhere in the permit.

#### **13. Improvements**

Prior to crossing, using, or paralleling any improvement on public lands, the operator shall contact the owner of the improvement to obtain mitigation measures to prevent damage to the improvements.