United States Department of Agriculture		e. Record no. (1-2)	b. Region (3-4)	c. Forest (5-6)
Pérest Se	WYSC 0	70	03	02
SP	ECIAL USE PERMIT	d. District (7-8)	e. Use number (9-12)	f. Kind of use (13-15)
		03_	2724	420
Act of June 4, 1897 This permit is revocable and nontransferable		g. State (16-17)	h. County (18-20)	k. Cerd no. (21)
	(Ref. FSM 2710)	35_	039_	1
Permission is	s hereby granted toJohn Sc		r Industries	
	. Box 2078 Farmington, Ne			
	d the permittee, to use subject to t			ving described lands
	A two acre tract in the Sright-of-way through the SW 1/4 SW 1/4 Section 25 R4W NMPM as shown on the	S $1/2$ NW $1/4$ E and the NW $1/4$	1/2 SW $1/4$ and	the
This permit o	covers2 acres and	/orr	niles and is issued	for the purpose of:
1. Constructing, drilling and maintaining the 76-1 gas well.				
	2. Constructing, using a under terms of lease		an access road	thereto
construction, if a use shall be act in writing.	on or occupancy and use under thany, shall be completed within ually exercised at least3	<u>12</u> month 65 days eac	ns, from the date of th year, unless other	the permit. This erwise authorized
2. In consideration for this use, the permittee shall pay to the Forest Service, U.S. Department of Agriculture, the sum of <u>free 36 CFR 251.2</u> Dollars (\$				
annually on				
3. This perm	per, Charges for this use may be rais commensurate with the value of the condition of the conditions accepted subject to the conditions.	of use authorized b ditions set forth he	y this permit. rein, and to conditi	_
38	attached hereto and made			DATE
PERMITTEE	John Schalk	SIGNATURE OF A	UTHORIZED OFFICER	DATE
7 to 15 17 1 to 10	Lone Star Industries	TITLE		
ISSUING	NAME AND SIGNATURE	TITLE		DATE
OFFICER	LARDY A. SOEHLIC	District	Forest Ranger	10/15/73

- 4. Development plans; layout plans; construction, reconstruction, or alteration of improvements; or revision of layout or construction plans for this area must be approved in advance and in writing by the forest supervisor. Trees or shrubber y on the permitted area may be removed or destroyed only after the forest officer in charge has approved, and has marked or otherwise designated that which may be removed or destroyed. Timber cut or destroyed will be paid for by the permittee as follows: Merchantable timber at appraised value; young-growth timber below merchantable size at current damage appraisal value; provided that the Forest Service reserves the right to dispose of the merchantable timber to others than the permittee at no stumpage cost to the permittee. Trees, shrubs, and other plants may be planted in such manner and in such places about the premises as may be approved by the forest officer in charge.
- 5. The permittee shall maintain the improvements and premises to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the forest officer in charge.
 - 6. This permit is subject to all valid claims.
- 7. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, county, and municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit.
- 8. The permittee shall take all reasonable precautions to prevent and suppress forest fires. No material shall be disposed of by burning in open fires during the closed season established by law or regulation without a written permit from the forest officer in charge or his authorized agent.
- 9. The permittee shall exercise diligence in protecting from damage the land and property of the United States covered by and used in connection with this permit, and shall pay the United States for any damage resulting from negligence or from the violation of the terms of this permit or of any law or regulation applicable to the national forests by the permittee, or by any agents or employees of the permittee acting within the scope of their agency or employment.
- 10. The permittee shall fully repair all damage, other than ordinary wear and tear, to national forest roads and trails caused by the permittee in the exercise of the privilege granted by this permit.
- 11. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise herefrom unless it is made with a corporation for its general benefit.
- 12. Upon abandonment, termination, revocation, or cancellation of this permit, the permittee shall remove within a reasonable time all structures and improvements except those owned by the United States, and shall restore the site, unless otherwise agreed upon in writing or in this permit. If the permittee fails to remove all such structures or improvements within a reasonable period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and restoration of the site.
- 13. This permit is not transferable. If the permittee through voluntary sale or transfer, or through enforcement of contract, foreclosure, tax sale, or other valid legal proceeding shall cease to be the owner of the physical improvements other than those owned by the United States situated on the land described in this permit and is unable to furnish adequate proof of ability to redeem or otherwise reestablish title to said improvements, this permit shall be subject to cancellation. But if the person to whom title to said improvements shall have been transferred in either manner provided is qualified as a permittee and is willing that his future occupancy of the premises shall be subject to such new conditions and stipulations as existing or prospective circumstances may warrant, his continued occupancy of the premises may be authorized by permit to him if, in the opinion of the issuing officer or his successor, issuance of a permit is desirable and in the public interest.
 - 14. In case of change of address, the permittee shall immediately notify the forest supervisor.
- 15. The temporary use and occupancy of the premises and improvements herein described may be sublet by the permittee to third parties only with the prior written approval of the forest supervisor but the permittee shall continue to be responsible for compliance with all conditions of this permit by persons to whom such premises may be sublet.
- 16. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the regional forester or the Chief, Forest Service.
- 17. In the event of any conflict between any of the preceding printed clauses or any provisions thereof and any of the following clauses or any provisions thereof, the following clauses will control.

18. As a further guarantee of the faithful performance of the provisions of the permittee's special permits for oil and gas exploration on the Carson National Forest, the permittee has delivered and agrees to maintain a surety bond in the amount of ten thousand dollars (\$10,000.00). Should the sureties or bonds delivered under this permit become unsatisfactory to the Forest Bervice, the permittee shall, within thirty (30) days of demand, furnish a new bond with surety, solvent and satisfactory to the Forest Service.

The permittee agrees that all moneys deposited under these permits may, upon failure on his part to fulfill all and singular the requirements herein set forth or made a part hereof, be retained by the United States to be applied as far as may be to the satisfaction of his obligations assumed hereunder, without prejudice whatever to any other rights and remedies of the United States.

- 19. Chemical materials may not be used to control undesirable woody and herbaceous vegetation, insects, rodents, etc., without the prior written approval of the Forest Service. A report of planned use of pesticides will be submitted annually by the permittee on the due date established by the Forest Supervisor. 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 only when unexpected outbreaks of pests require control measures which were not anticipated at the time the annual report was submitted.
- 20. This permit shall have no force or effect until the permittee has signified his acceptance of its provisions and conditions by signing the original and all carbon copies and returning the copies to the Forest Supervisor.
- 21. A muffler or spark arrester satisfactory to the Forest Service shall be maintained on the exhausts of all trucks and tractors or other internal combustion engines used in connection with this permit.

The permittee will make arrangements to have all equipment inspected for compliance with fire requirements prior to entry onto the National Forest. In addition to an adequate muffler or spark arrestor all vehicles or equipment will have a shovel. All heavy equipment and vehicles except sedans and pickups will also be equipped with a fire extinguisher.

Each drilling rig will be equipped with adequate fire extinguishers and a tool cache containing a minimum of 3 shovels and 2 axes.

- 22. The permittee shall save the United States harmless from and indemnified against claims for injury to persons or damages to property, due to developement, operation or use under this permit.
- 23. All liquids and solids discharged from the well will be vented into storage tanks or fenced drip pits. The permittee will provide that the location and all equipment will be kept in satisfactory condition to prevent damage to livestock and wildlife.
- 24. The permittee shall take all practicable precautions to minimize damage to the soil, and to prevent the creation of conditions conducive to continuing or accelerated soil erosion. The precautions may include but shall not necessarily be limited to, bank sloping, benching, wattling, sod planting, seeding, fertilizing, and mulching as determined by the Forest Service to be practicable and necessary. All earth cuts or fill slopes on any disturbed areas which are favorable to revegetation or other areas on which the soil and/or ground cover is destroyed in the course of construction, will be revegetated with suitable vegetation or otherwise treated by the permittee as required by the Forest Supervisor. Such seeding or planting shall be done at a time of the year, in a manner, and with the kinds and amounts of species which in the opinion of the Forest Supervisor offers the best chance of success.
- 25. A chemical toilet or similar adequate sanitary facilities will be provided on the location while men are regularly employed there. Untreated sewage will not be permitted to enter any stream course.
- 26. If, during construction, items of a substantial archeological or paleontological value are discovered, or a known deposit of such items is disturbed, the permittee will cease work in the area so affected. He will then notify the Forest Service and will not resume work until written approval is given.
- 27. This permit authorizes only such use and occupancy of National Forest land as is essential for purposes directly connected with the construction, maintenance, and use of the road and well site. It does not authorize uses such as borrow pits, stockpiles, quarries or any other similar use except with the written approval of the Forest Supervisor.

- 28. All or portions of the work merein described for revegetation, brush disposal, fence construction and/or reseeding for which the permittee is responsible, may upon written request of the permittee and approval by the Forest Supervisor be performed by the Forest Service on a opperative or assistance basis under Section 5, Act of April 24, 1959, 64 Stat. 83, U.S.C. 572. When the work is to be so performed, the permittee shall make advance deposits as requested by the Forest Service. The total deposits will be sufficient to cover the cost of the work including necessary overhead charges. Deposits for the control of erosion may be used to maintain installations made for erosion control for a period not to exceed three years or until site stabilization is accomplished, whichever is less. Advance estimates of the cost of this work may be obtained from the Forest Supervisor.
- 29. The road will be constructed in accordance with the specifications set forth in Exhibit I. Cuts in earth will not be steeper than 2:1, cuts in rock will not be steeper than 1/4:1. Fill material will not be steeper than 2:1. All roads will be ditched and crowned with adequate wing ditches and culverts for proper ditch relief.
- 30. This road will be maintained a minimum of twice each year. To insure proper care of the improvements, the Forest Officer may require more frequent maintenance.
- 31. To protect vegetation and prevent scorching of top soil, drilling gas will be burned in a pit and against a dirt bank.
- 32. Gates, cattleguards, culverts and other structures installed as part of this road shall become the property of the United States and may not be removed without the consent of the Forest Officer. The Forest Service, or its cooperator, (with Forest Service consent) may improve this road in any manner so long as it does not materially interfere with its use by the permittee. Specifications for construction of these improvements are given in Exhibit 2.
- 33. None of the conditions of the permit as set forth herein can be varied or modified, except with the written consent of the Forest Supervisor.
- 34. If the use granted under this permit is not exercised within one calender year from date of issue the permit will be terminated.
- 35. The prescribed seed mixture for revegetation of disturbed areas is:

Crested Wheatgrass - 4 lbs/acre
Pubescent Wheatgrass - 6 lbs/acre
Sand drop seed - 1 lb/acre
Burnet - 1 lb/acre

36. All construction slash will be buried or chipped.

- 37. When roads become dry and dusty they will be watered to reduce damage to the road.
- 38. The permittee will furnish and install a 14' cattleguard on cement beams in the road where it crosses the existing fence.

U.S. FOREST SERVICE-REGION 3

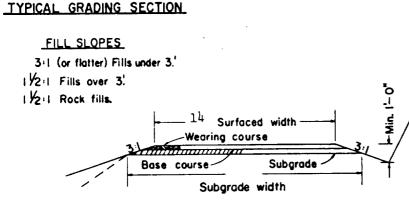
MINIMUM STANDARDS FOR SINGLE LANE ALL WEATHER ROAD

DESIGN CRITERIA

Exhibit #1.

Grade — Maximum of 8% unless approved in writing by the Forest Service.

Alignment - Minimum radius 100 ft. unless approved in writing by the Forest Service.



SLOPE ROUNDING

Depth varies with slope.

CUT SLOPES

1/2:1-Common, under 30% Side Slopes.

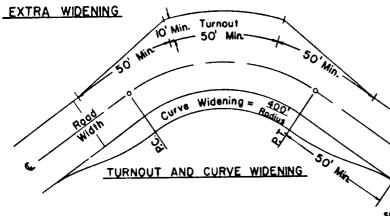
1:1-Common, 30% to 55% Side Slopes.

3/4:1-Common, over 55% Side Slopes.

1/2:1-Hardpan-Soft rock.

14:1-Solid rock.

All cut and fill slopes 1 1/2:1 and flatter to be revegetated.



WIDENING ON FILL

Height of fill at Widen each
Shoulder Shoulder

O'-3' (3:1 Fill Slopes) None
O'-6' (1 1/2:1 Fill Slopes) 1'-0"

Over 6' (1 1/2:1 Fill Slopes) 2-0"

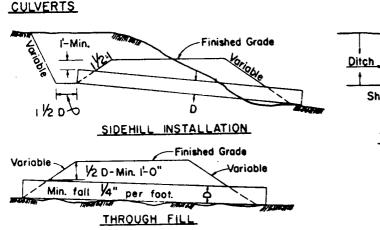
Guardrail Sections (1 1/2:1 Fill Slopes) 3-0"

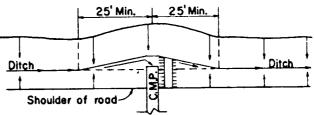
TURNOUT SPACING

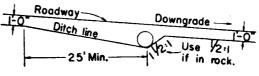
Turnouts to be located on blind curves and supplemented between blind curves as necessary to keep spacing less than I,000 ft.

SURFACING (See above Sketch)

- (a) Base course Depth _____ inches, Maximum size ____ inches
- (b) Wearing course Depth_____ inches, Maximum size_____ inches.







SIDEHILL INSTALLATION

All culverts must discharge at natural ground level unless slope under pipe is protected by rock fill. Gradient of culverts on Sidehill Installation not less than approaching ditch gradient. For spacing of Ditch Relief Culverts see F.S.M. 5613.54.

