

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMLC068281B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
NMNM138329X

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
ZIA HILLS 20 FEDERAL COM 116H2. Name of Operator
CONOCOPHILLIPS COMPANYContact: JEREMY LEE
E-Mail: jeremy.l.lee@cop.com9. API Well No.
30-025-45725-00-X13a. Address
925 N ELDRIDGE PARKWAY
HOUSTON, TX 770793b. Phone No. (include area code)
Ph: 832-486-251010. Field and Pool or Exploratory Area
WOLFCAMP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 20 T26S R32E NESE 2270FSL 701FEL
32.027096 N Lat, 103.690857 W Lon11. County or Parish, State
LEA COUNTY, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Disturbance
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

ConocoPhillips request new surface disturbance in order to construct a 1,000 ft x 500 ft pad, a 30 ft x 1,000 ft, to place the topsoil stockpile area south of the proposed pad, a 30' wide access road ROW to construct an approximate 107 ft access road, and to utilize the 30 ft ROW to upgrade existing roads.

ConocoPhillips also request to drill 9 holes within the proposed 1,000 ft x 500 ft pad to a depth of 40 feet using a truck mounted geotechnical drilling rig and a hollow stem auger. The auger flight has a diameter of 4 to 6 inches. Standard penetration tests will be performed every 5 feet. Samples will be obtained through the split spoon sampler and tested for gradation and Atterberg limits. A geotechnical report will be prepared with boring logs and recommendations for containment design and construction. All boreholes will be backfilled with soil cuttings.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #506522 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by JUANA MEDRANO on 03/10/2020 (20JM0084SE)

Name (Printed/Typed) JEREMY LEE

Title REGULATORY COORDINATOR

Signature (Electronic Submission)

Date 03/10/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #506522 that would not fit on the form

32. Additional remarks, continued

After boring, the entire 1,000 ft x 500 ft pad will be utilized as a central facility. The facility will contain the following types of equipment a flare, compressors, tanks, VRU compressor skid, slug catchers, blowcase skid, towers, fuel gas skid, LACT, dehydration unit, flare scrubbers, and electrical power transformers.

The orientation of the equipment in the plot plan may change and equipment may be added or subtracted as needed.

ConocoPhillips also request to fence the 1000 ft x 500 ft central facility pad. The fence will be within the 1000 ft x 500 ft central facility pad. The fence will be a 6 ft chain link fence with an entrance at the access road.

Revisions to Operator-Submitted EC Data for Sundry Notice #506522

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	DISTURB NOI	DISTURB NOI
Lease:	NMLC062749B	NMLC068281B
Agreement:		NMNM138329X (NMNM138329X)
Operator:	CONOCOPHILLIPS COMPANY 925 N. ELDRIDGE PARKWAY SUITE EC3-12-W154 HOUSTON, TX 77079 Ph: 832-486-2510	CONOCOPHILLIPS COMPANY 925 N ELDRIDGE PARKWAY HOUSTON, TX 77079 Ph: 281 206 5281
Admin Contact:	JEREMY LEE REGULATORY COORDINATOR E-Mail: jeremy.l.lee@cop.com Ph: 832-486-2510	JEREMY LEE REGULATORY COORDINATOR E-Mail: jeremy.l.lee@cop.com Ph: 832-486-2510
Tech Contact:	JEREMY LEE REGULATORY COORDINATOR E-Mail: jeremy.l.lee@cop.com Ph: 832-486-2510	JEREMY LEE REGULATORY COORDINATOR E-Mail: jeremy.l.lee@cop.com Ph: 832-486-2510
Location:		
State:	NM	NM
County:	LEA COUNTY	LEA
Field/Pool:	ZIA HILLS; WOLFCAMP	WOLFCAMP
Well/Facility:	ZIA HILLS 20 FEDERAL COM 116H Sec 20 T26S R32E Mer NMP NESE 2270FSL 701FEL	ZIA HILLS 20 FEDERAL COM 116H Sec 20 T26S R32E NESE 2270FSL 701FEL 32.027096 N Lat, 103.690857 W Lon

DESCRIPTION:



UIN TAH
ENGINEERING & LAND SURVEYING

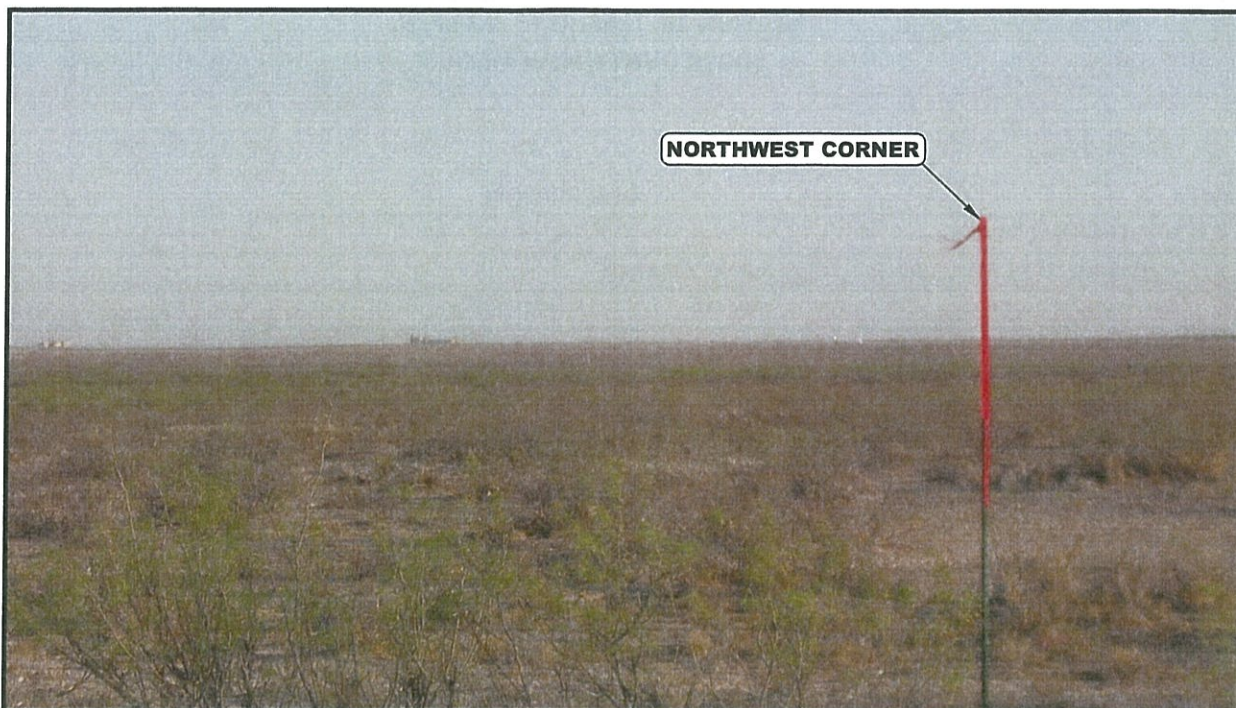


PHOTO: VIEW OF NORTHWEST CORNER

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY

REV: 1 08-22-19 L.K. (ACCESS ROAD RE-ROUTE)

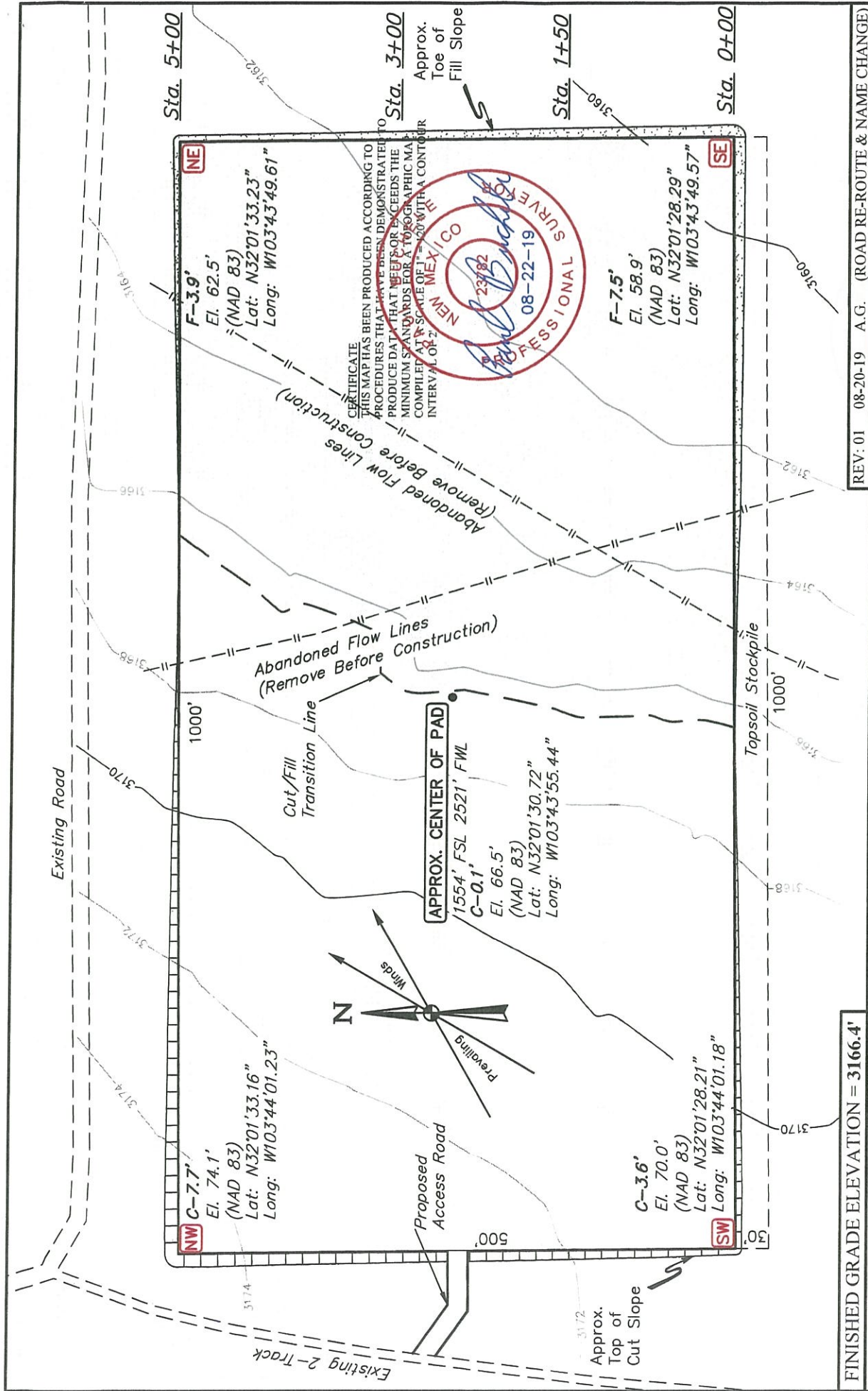
ConocoPhillips Company

ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

TAKEN BY	R.D., B.B.	04-07-18	
DRAWN BY	R.T.	04-11-18	
LOCATION PHOTOS			PHOTO



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



REV: 01 08-20-19 A.G. (ROAD RE-ROUTE & NAME CHANGE)

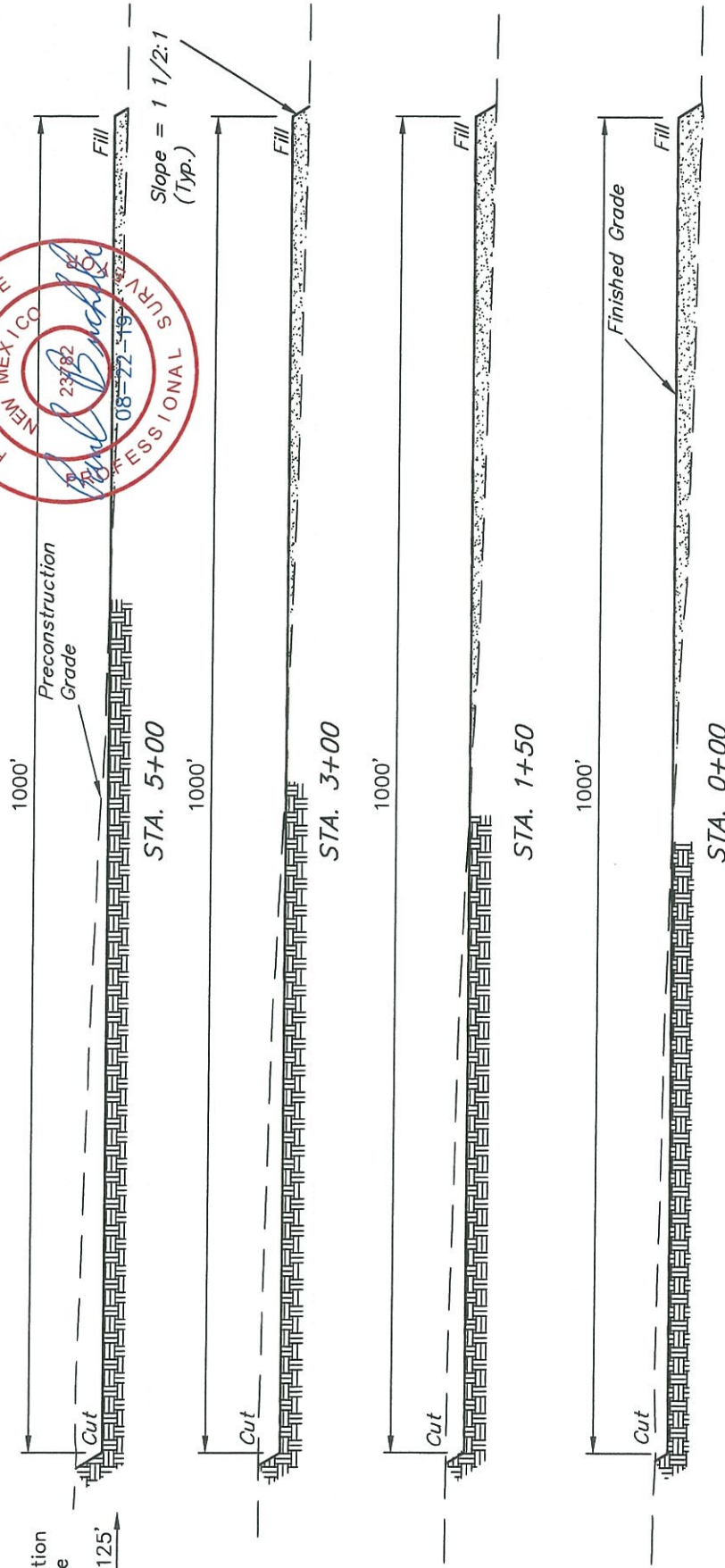
ConocoPhillips Company

ZHU CENTRAL FACILITY
 1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
 S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	J.N.	04-11-18	1" = 120'
LOCATION LAYOUT			FIGURE #1

- NOTES:**
- Contours shown at 2' intervals.
 - Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

X-Section
Scale
1" = 50'



APPROXIMATE EARTHWORK QUANTITIES	
(4") TOPSOIL STRIPPING	6,410 Cu. Yds.
REMAINING LOCATION	33,610 Cu. Yds.
TOTAL CUT	40,020 Cu. Yds.
FILL	33,610 Cu. Yds.
EXCESS MATERIAL	6,410 Cu. Yds.
TOPSOIL & PIT BACKFILL	6,410 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.

APPROXIMATE SURFACE DISTURBANCE AREAS	
DISTANCE	ACRES
WELL SITE DISTURBANCE	NA
30' WIDE ACCESS ROAD R-O-W DISTURBANCE	±106.85'
TOTAL SURFACE USE AREA	±12.571

NOTES:

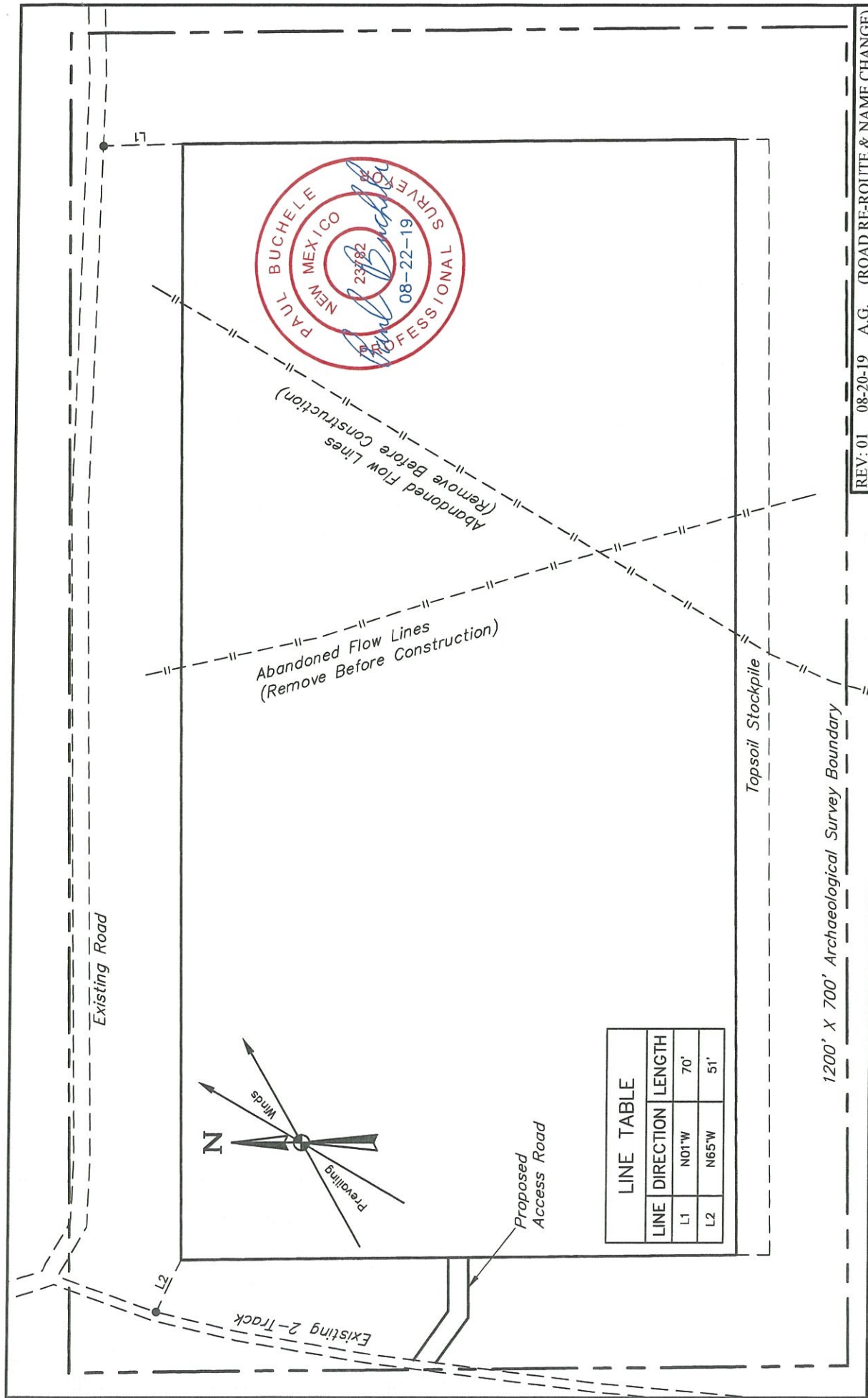
- Fill quantity includes 5% for compaction.

REV: 01 08-20-19 A.G. (ROAD RE-ROUTE & NAME CHANGE)

ConocoPhillips Company

ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	J.N.	04-11-18	AS SHOWN
TYPICAL CROSS SECTIONS			FIGURE #2



REV: 01 08-20-19 A.G. (ROAD RE-ROUTE & NAME CHANGE)

ConocoPhillips Company

ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	J.N.	04-11-18	1" = 120'
ARCHAEOLOGICAL SURVEY BOUNDARY			FIGURE #5

UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

BEGINNING AT THE INTERSECTION OF HIGHWAY 18 AND HIGHWAY 128 PROCEED IN A WESTERLY, THEN NORTHWESTERLY, THEN WESTERLY DIRECTION FROM JAL, NEW MEXICO ALONG HIGHWAY 128 APPROXIMATELY 30.0 MILES TO THE JUNCTION OF THIS ROAD AND ORLA RD/CR J-1 TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 13.6 MILES TO THE JUNCTION OF THIS ROAD AND BATTLE AXE RD/J-2 TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN AN SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 453' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM JAL, NEW MEXICO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 45.6 MILES.

REV: 1 08-22-19 L.K. (ACCESS ROAD RE-ROUTE)

ConocoPhillips Company

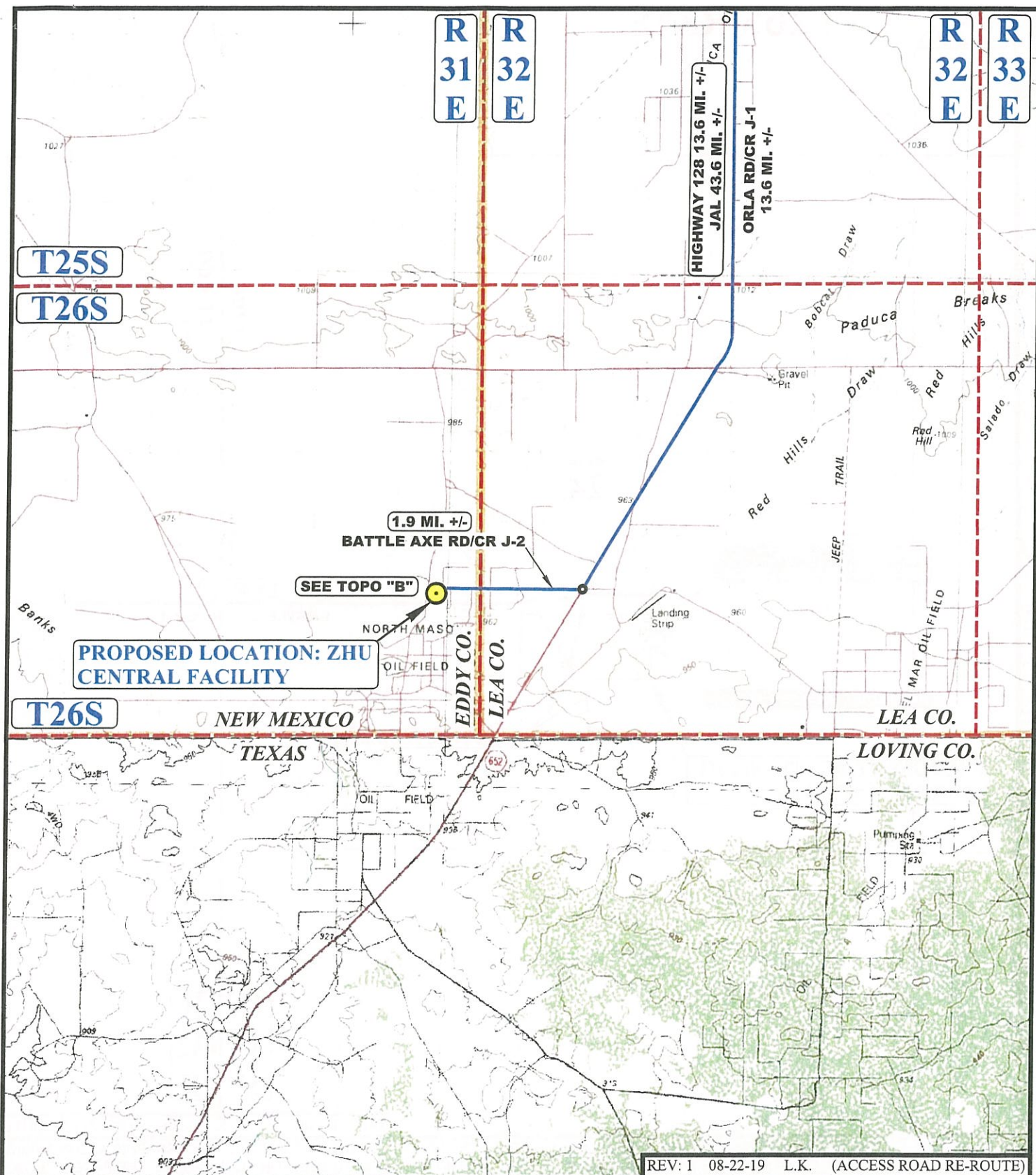
ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	
DRAWN BY	R.T.	04-11-18	

ROAD DESCRIPTION



UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017



REV: 1 08-22-19 L.K. (ACCESS ROAD RE-ROUTE)

LEGEND:



PROPOSED LOCATION



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



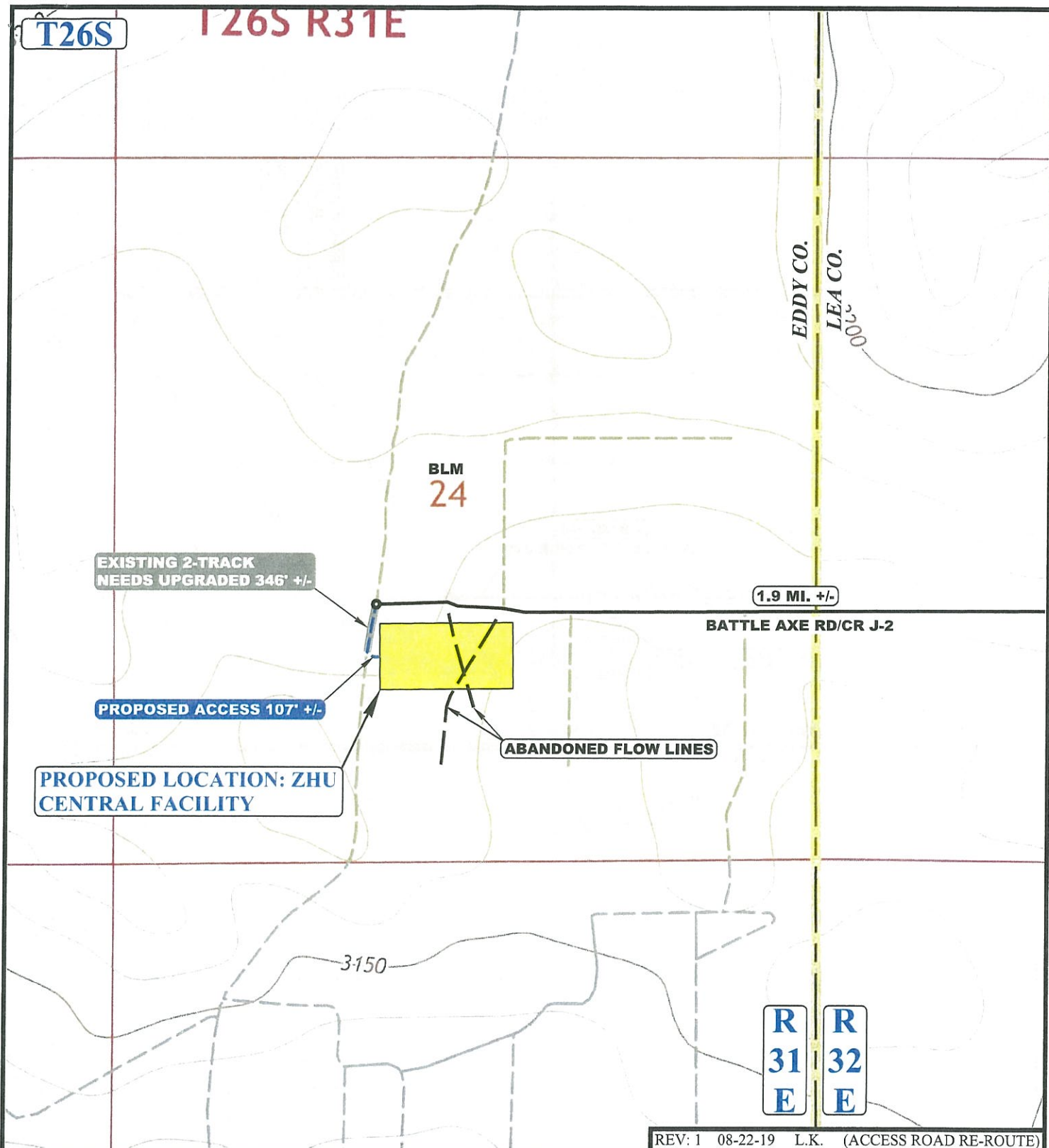
ConocoPhillips Company

ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	R.T.	04-11-18	1 : 100,000

ACCESS ROAD MAP

TOPO A



REV: 1 08-22-19 L.K. (ACCESS ROAD RE-ROUTE)

NOTE: PARCEL DATA SHOWN HAS BEEN OBTAINED FROM VARIOUS SOURCES AND SHOULD BE USED FOR MAPPING, GRAPHIC AND PLANNING PURPOSES ONLY. NO WARRANTY IS MADE BY UINTEH ENGINEERING AND LAND SURVEYING (UELS) FOR ACCURACY OF THE PARCEL DATA.

LEGEND:

- EXISTING ROAD
- - - - PROPOSED ROAD
- - - - EXISTING PIPELINE
- - - - EXISTING 2-TRACK (NEEDS UPGRADED)



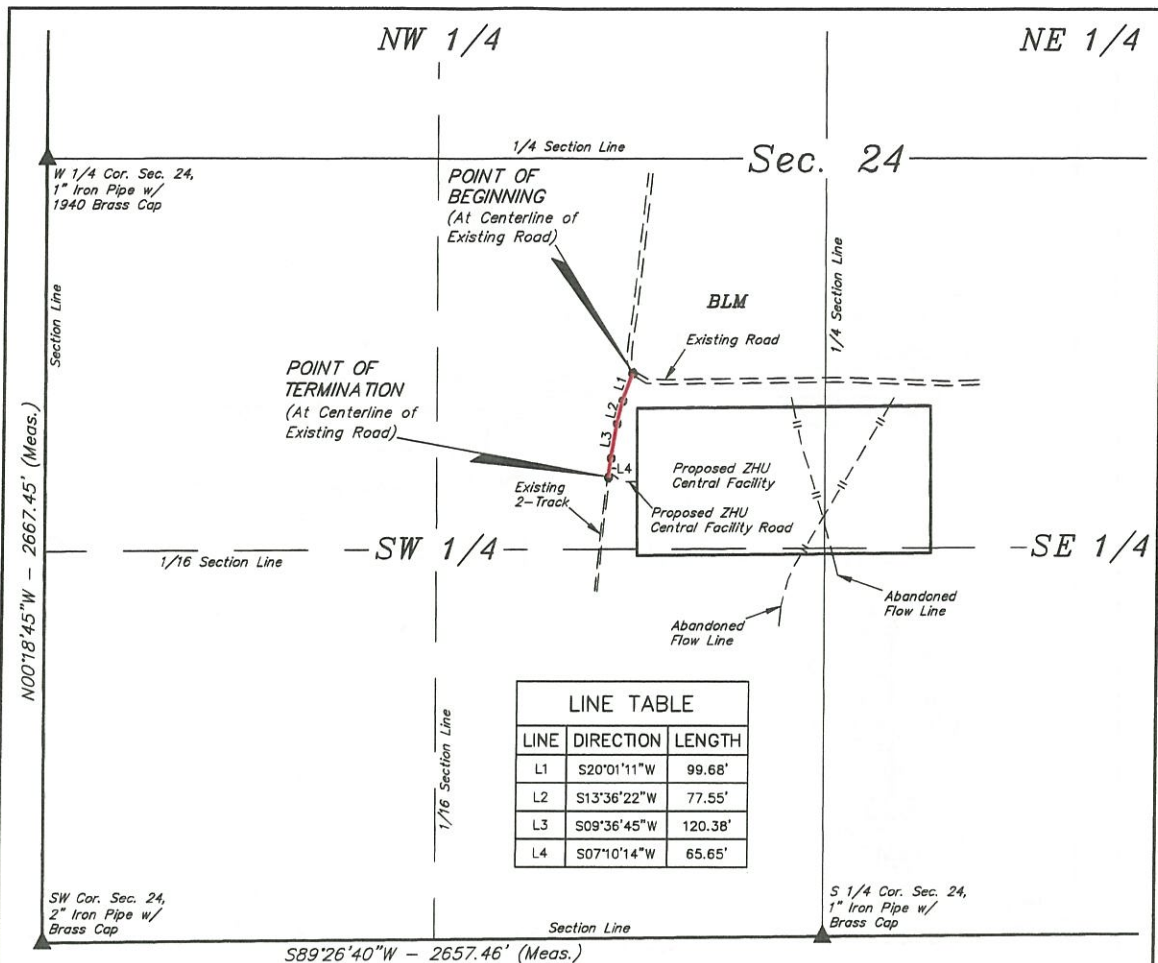
UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



ConocoPhillips Company

ZHU CENTRAL FACILITY
1554' FSL 2521' FWL (APPROX. CENTER OF PAD)
S 1/2, SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	R.T.	04-11-18	1 : 12,000
ACCESS ROAD MAP			TOPO B



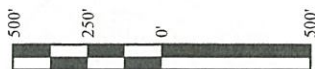
EXISTING ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE NE 1/4 SW 1/4 OF SECTION 24, T26S, R31E, N.M.P.M., WHICH BEARS N19°05'19"W 2028.46' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 24, THENCE S20°01'11"W 99.68'; THENCE S13°36'22"W 77.55'; THENCE S09°36'45"W 120.38'; THENCE S07°10'14"W 65.65' TO A POINT IN THE NE 1/4 SW 1/4 OF SAID SECTION 24 AND THE POINT OF TERMINATION, WHICH BEARS N25°26'27"W 1732.01' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 24. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103°53'00". CONTAINS 0.250 ACRES MORE OR LESS.

POINT OF BEGINNING BEARS N19°05'19"W 2028.46' FROM THE SOUTH 1/4 CORNER OF SECTION 24, T26S, R31E, N.M.P.M.

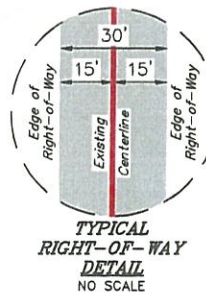
POINT OF TERMINATION BEARS N25°26'27"W 1732.01' FROM THE SOUTH 1/4 CORNER OF SECTION 24, T26S, R31E, N.M.P.M.



ACREAGE / LENGTH TABLE			
	FEET	RODS	ACRES
SEC. 24 (SW 1/4)	363.27	22.02	0.250

▲ = SECTION CORNERS LOCATED.

FILE: C-6678



CERTIFICATE
THIS IS TO CERTIFY THAT THIS EASEMENT PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION. THAT I AM RESPONSIBLE FOR THIS SURVEY. THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



NOTES:
• Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00"



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

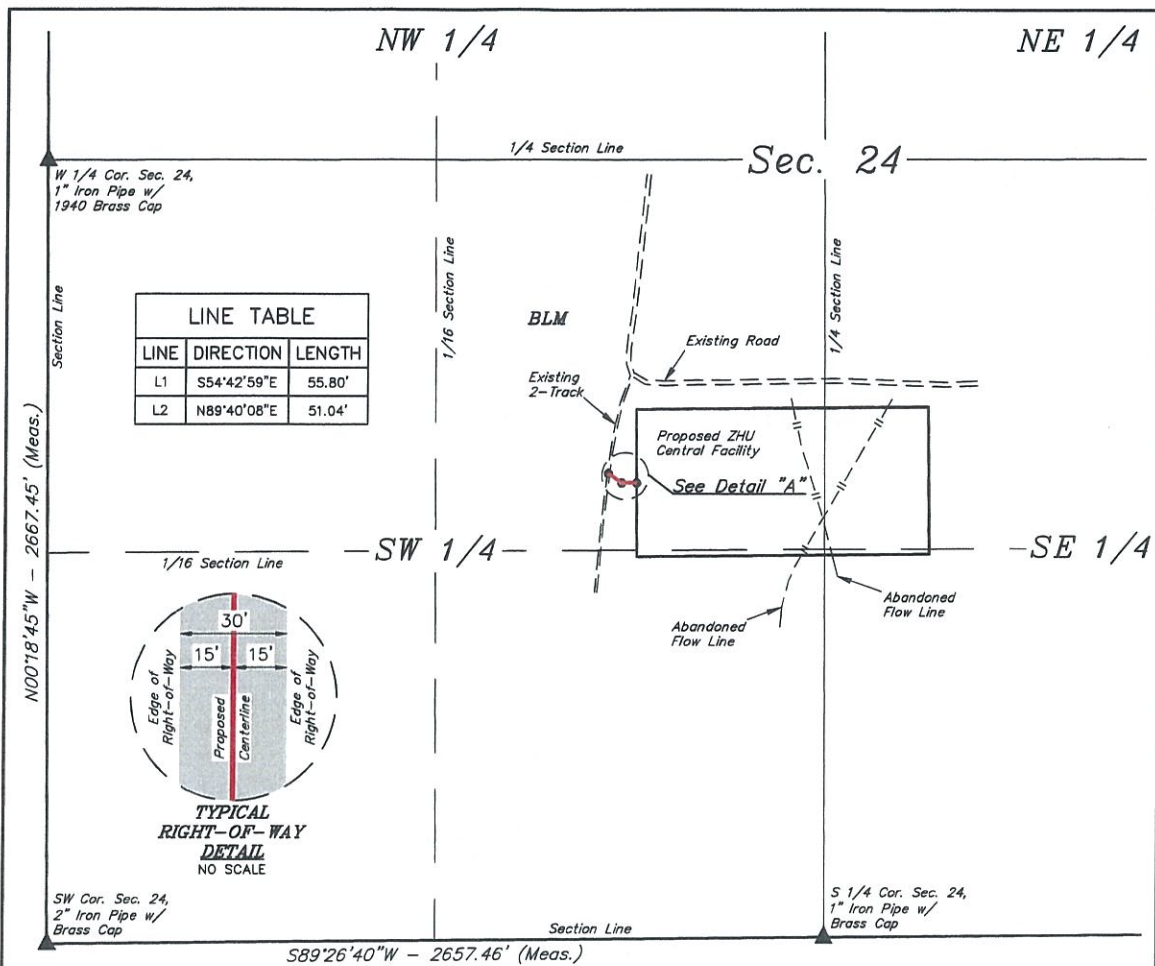


ConocoPhillips Company

**ZHU CENTRAL FACILITY
SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

SURVEYED BY	S.R. R.A.	08-12-19	SCALE
DRAWN BY	A.G.	08-20-19	1" = 500'

EXISTING ACCESS ROAD R-O-W



ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

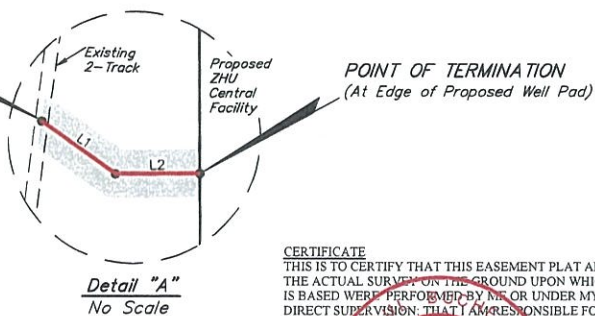
BEGINNING AT A POINT IN THE NE 1/4 SW 1/4 OF SECTION 24, T26S, R31E, N.M.P.M., WHICH BEARS N25°08'24"W 1746.36' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 24, THENCE S54°42'59"E 55.80'; THENCE N89°40'08"E 51.04' TO A POINT IN THE NE 1/4 SW 1/4 OF SAID SECTION 24 AND THE POINT OF TERMINATION, WHICH BEARS N22°37'00"W 1678.04' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 24. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103°53'00". CONTAINS 0.074 ACRES MORE OR LESS.

POINT OF BEGINNING

(At Centerline of Existing 2-Track)

POINT OF BEGINNING BEARS N25°08'24"W 1746.36' FROM THE SOUTH 1/4 CORNER OF SECTION 24, T26S, R31E, N.M.P.M.

POINT OF TERMINATION BEARS N22°37'00"W 1678.04' FROM THE SOUTH 1/4 CORNER OF SECTION 24, T26S, R31E, N.M.P.M.



CERTIFICATE
THIS IS TO CERTIFY THAT THIS EASEMENT PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

23782
08-22-19
PROFESSIONAL SURVEYOR



ACREAGE / LENGTH TABLE

	FEET	RODS	ACRES
SEC. 24 (SW 1/4)	106.85	6.48	0.074

▲ = SECTION CORNERS LOCATED.

NOTES:

- The maximum grade of existing ground for the proposed access road is $\pm 0.64\%$.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

FILE: 63646 REV: 01 08-20-19 A.G. (ROAD RE-ROUTE & NAME CHANGE)



ConocoPhillips Company

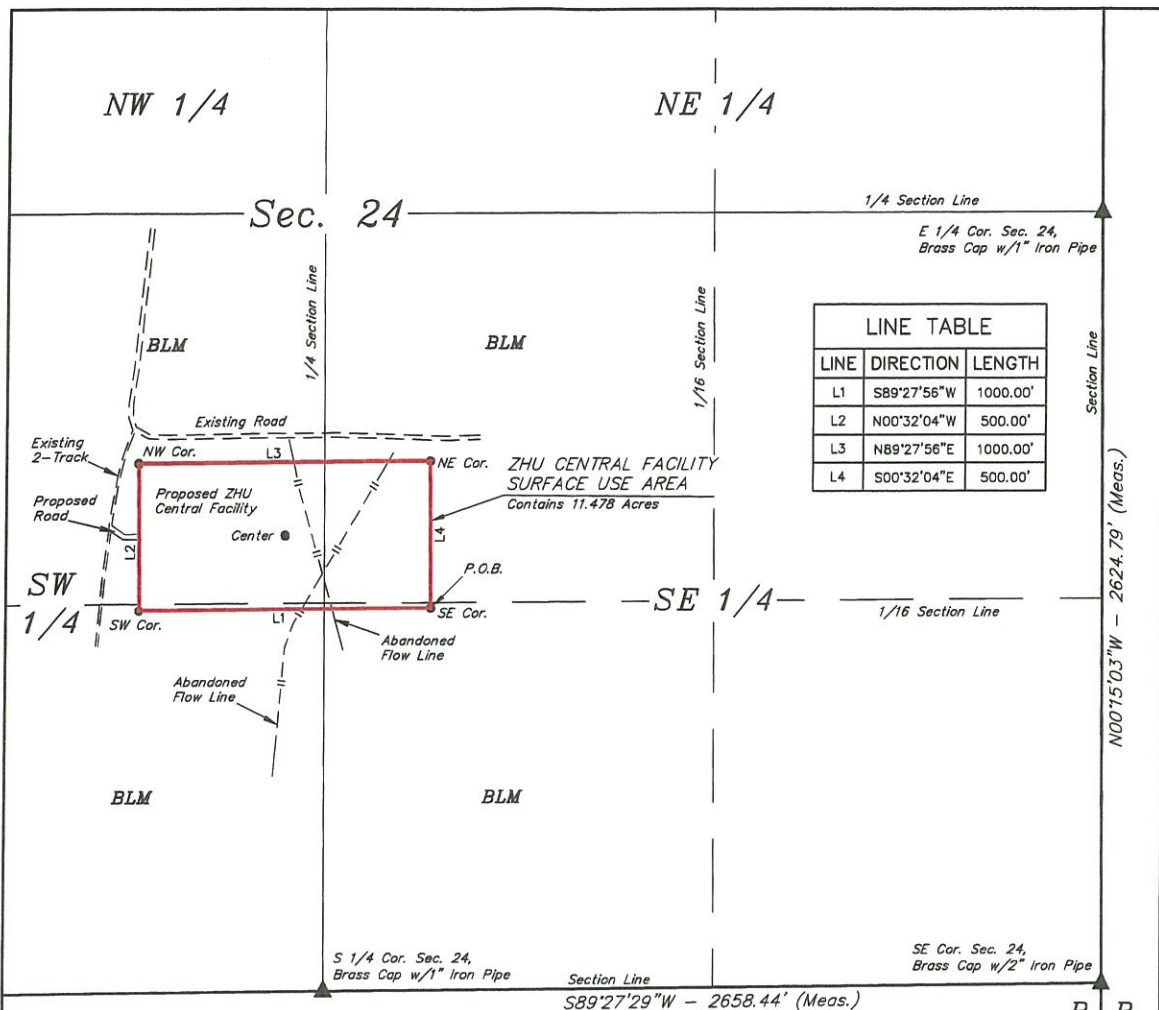
**ZHU CENTRAL FACILITY
SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	S.F.	04-11-18	1" = 500'

PROPOSED ACCESS ROAD R-O-W



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



SURFACE USE AREA DESCRIPTION

BEGINNING AT A POINT IN THE SW 1/4 SE 1/4 OF SECTION 24, T26S, R31E, N.M.P.M., WHICH BEARS N15°16'11"E 1355.46' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 24, THENCE S89°27'56"W 1000.00'; THENCE N00°32'04"W 500.00'; THENCE N89°27'56"E 1000.00'; THENCE S00°32'04"E 500.00' TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS A TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103°53'00". CONTAINS 11.478 ACRES MORE OR LESS.

ELEVATION TABLE

CORNER	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	ELEVATION
NW CORNER	N 32°01'33.16"	W 103°44'01.23"	3174.12'
NE CORNER	N 32°01'33.23"	W 103°43'49.61"	3162.52'
SE CORNER	N 32°01'28.29"	W 103°43'49.57"	3158.90'
SW CORNER	N 32°01'28.21"	W 103°44'01.18"	3170.00'
CENTER	N 32°01'30.72"	W 103°43'55.40"	3166.50'

POINT OF BEGINNING BEARS N15°16'11"E 1355.46' FROM THE SOUTH 1/4 CORNER OF SECTION 24, T26S, R31E, N.M.P.M.

CERTIFICATE
THIS IS TO CERTIFY THAT THIS SURFACE USE PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

23782
08-22-19
PROFESSIONAL SURVEYOR



▲ = SECTION CORNERS LOCATED.

NOTES:

* Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

FILE: 63659 REV: 01 08-20-19 A.G. (ROAD RE-ROUTE & NAME CHANGE)

ConocoPhillips Company

**ZHU CENTRAL FACILITY
SECTION 24, T26S, R31E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

SURVEYED BY	R.D., B.B.	04-07-18	SCALE
DRAWN BY	S.F.	04-11-18	1" = 500'

SURFACE USE AREA



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

BLM Lease Number: NMLC 068281C

Company Reference: ConocoPhillips Company

Well Name & Number: Zia Hills 20 Federal Com 116H

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

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

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

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 and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.
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 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this 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 the right-of-way holder's activity 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 site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil 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 to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup 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 liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. 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 a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The 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 the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. 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.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site 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 the abandonment of the site. All pads and 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. 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).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

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

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - 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 until the operator removes 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

16. 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 enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – 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 enclosure 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.

18. 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.

19. Special Stipulations:

Hydrology:

Central facility locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Stipulations:

Construction Mitigation

In order to mitigate the impacts from construction activities on cave and karst resources, the following Conditions of Approval will apply to this APD or project:

General Construction:

- No blasting
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction, and no additional construction shall occur until clearance has been issued by the Authorized Officer.

- All linear surface disturbance activities will avoid sinkholes and other karst features to lessen the possibility of encountering near surface voids during construction, minimize changes to runoff, and prevent untimely leaks and spills from entering the karst drainage system.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Pad Construction:

- The pad will be constructed and leveled by adding the necessary fill and caliche – no blasting.
- The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised (i.e. an access road crossing the berm cannot be lower than the berm height).
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Road Construction:

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to alter the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required if subsurface features are discovered during construction.

Drilling Mitigation

Federal regulations and standard Conditions of Approval applied to all APDs require that adequate measures are taken to prevent contamination to the environment. Due to the extreme sensitivity of the cave and karst resources in this project area, the following additional Conditions of Approval will be added to this APD.

To prevent cave and karst resource contamination the following will be required:

- Closed loop system using steel tanks - all fluids and cuttings will be hauled off-site and disposed of properly at an authorized site
- Rotary drilling with fresh water where cave or karst features are expected to prevent contamination of freshwater aquifers.
- Directional drilling is only allowed at depths greater than 100 feet below the cave occurrence zone to prevent additional impacts resulting from directional drilling.
- Lost circulation zones will be logged and reported in the drilling report so BLM can assess the situation and work with the operator on corrective actions.
- Additional drilling, casing, and cementing procedures to protect cave zones and freshwater aquifers. See drilling COAs.

Plugging and Abandonment Mitigation

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Range Stipulations:

Cattleguards

Where a permanent cattleguard is approved, 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 on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Bore Hole Stipulations:

Any Bore holes drilled will be backfilled with the soil cuttings taken from the original bore hole. This backfilling will take place before construction of the central facility equipment or immediately after the location is deemed unstable or unusable.

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

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 twenty (20) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) 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

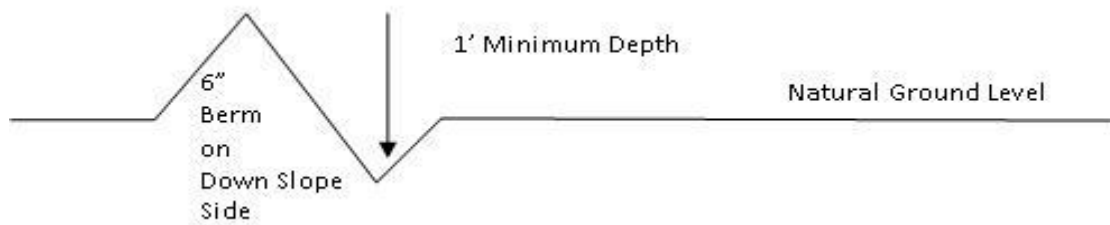
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing 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:

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

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.

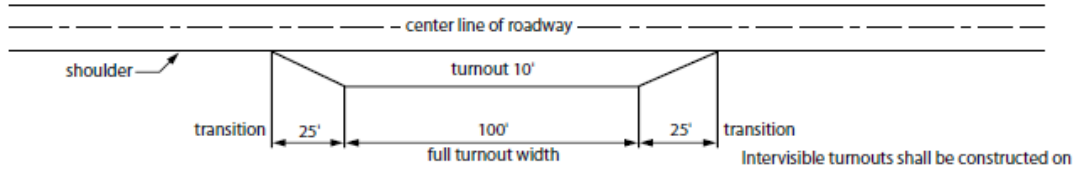
Public Access

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

Construction Steps

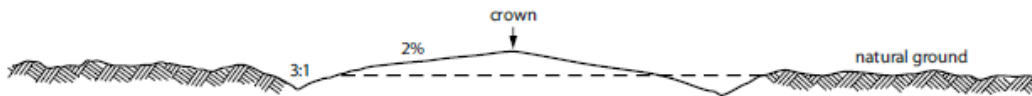
1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

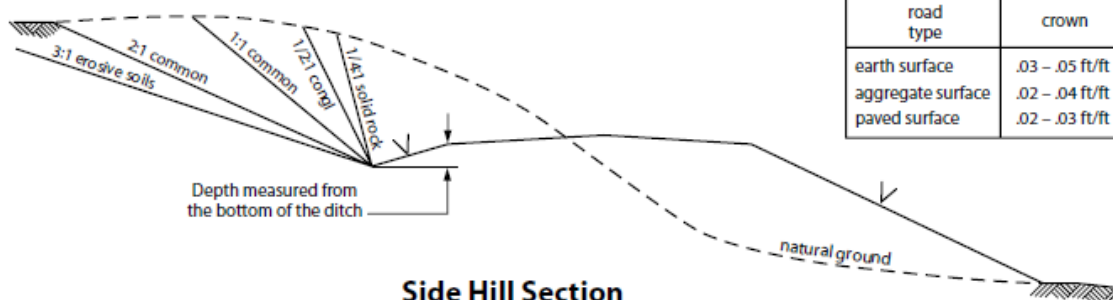


Typical Turnout Plan

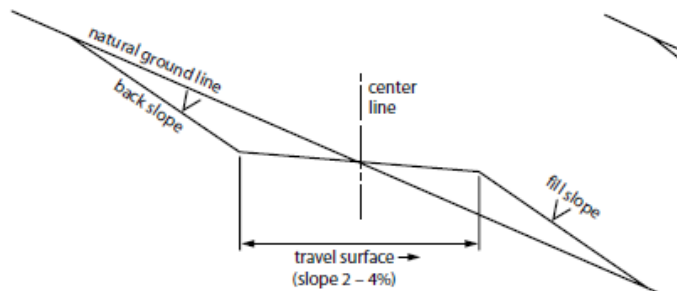
Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



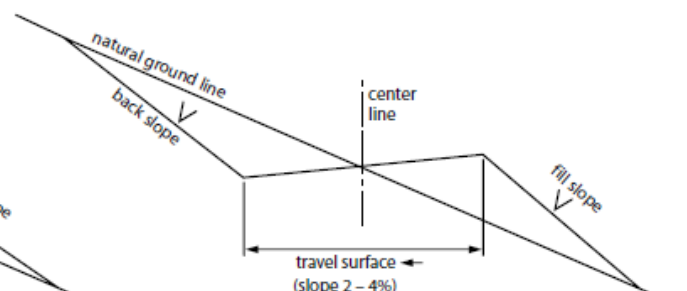
Level Ground Section



Side Hill Section



Typical Outsloped Section



Typical Insloped Section

Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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 no 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:

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

*Pounds of pure live seed:

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