Form 3160-5 (September 2001)

# UNITED STATES DEPARTMENT OF THE INTERIOR

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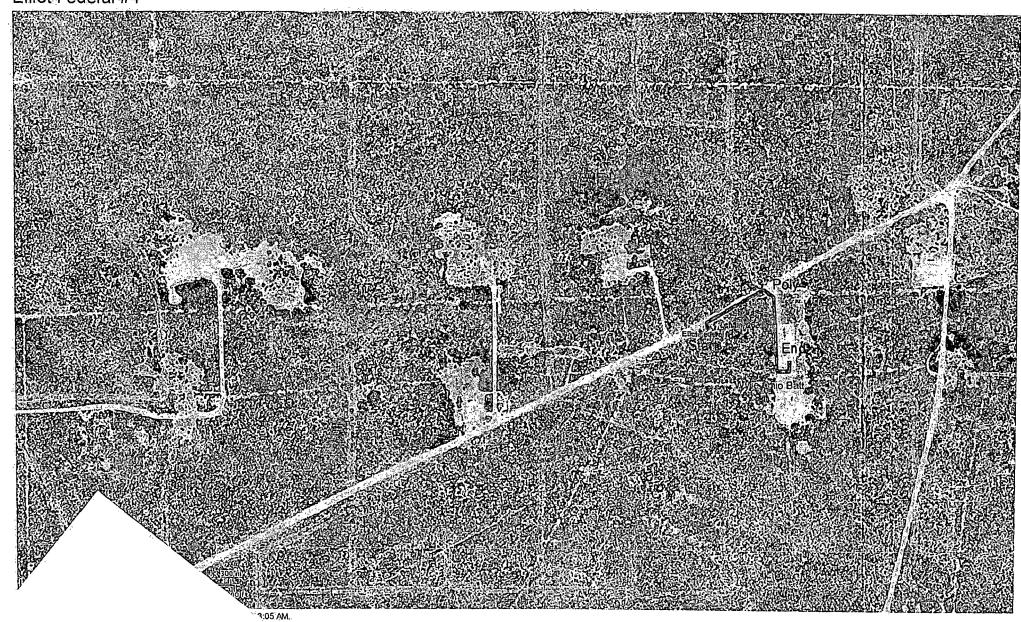
FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004

DUD	EALLOELAND MAN	ACEMENT		<u></u>	Expires, Januar	y 31, 200	<i>,</i>	
BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLSEIVED				5. Lease Serial No. LC 069048				
Do not use this f	OFFICES AND REF orm for proposals to Use Form 3160-3 (A	odrill or to re	-enter an		an, Allottee or Tr	ibe Nan	ne	
SUBMIT IN TRIPL	ICATE- Other instr	uctions on rev	erse side.	7. If Unit	or CA/Agreemer	nt, Nam	e and/or No.	
1. Type of Well Gas Well Other			8. Well Name and No.					
2. Name of Operator SandRidge Expl. & Prod., LLC			Elliott Federal #4  9. API Well No.					
3a Address       3b. Phone No. (include area of the state of the stat			ide area code)	30-025-40487  10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				Wantz; Abo				
1285' FSL & 580' FEL of Sec 9-21S-38E			11. County or Parish, State  Lea Co., NM					
12. CHECK APPRO	OPRIATE BOX(ES) TO	INDICATE NATO	JRE OF NOTICE, R	EPORT, O	OR OTHER D	ATA		
TYPE OF SUBMISSION		T	YPE OF ACTION					
Notice of Intent  Subsequent Report  Final Abandonment Notice	Acidize  Alter Casing  Casing Repair  Change Plans  Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandor Plug Back	Reclamation Recomplete	ete Other Flowline installation rily Abandon				
Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fit SandRidge Expl. & Prod., LLC tank battery (262.11 m). Please Thank you for your consideration	operations. If the operation randonment Notices shall be final inspection.)  respectfully requests the see attached plat showin	esults in a multiple con iled only after all requi right to lay a 3" po	npletion or recompletion in rements, including reclam by flowline on the surfa	n a new interv ation, have be	val, a Form 3160- een completed, ar	-4 shall nd the op	be filed once perator has	
				НС	OBBS OCD	)		
				DEC	1 0 2012			
				REC	EIVED			
14. Thereby certify that the foregoing Name (Printed/Typed)  Spence Laird	is true and correct	Title	Regulatory Analyst					
Signature Sful	Len	Date	Date 10/24/2012					
TI	IIS SPACE FOR F	EDERAL OR	STATE OFFICE	USE				
Approved by /s/ Don	Peterson		Title FIELD MANA	GER	Date DEC	5	2012	
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 construct or the condition of the applicant to construct the condition of the applicant to construct the condition of the co		OBARLSBAD FIELD OFFICE						
Title 19 H.C.C. Section 1001 and Title 42 H.	C.C. Cootion 1212 males it a	owner for only goroon	enowingly and willfully t	a maka ta an	w department or	aganes:	of the United	

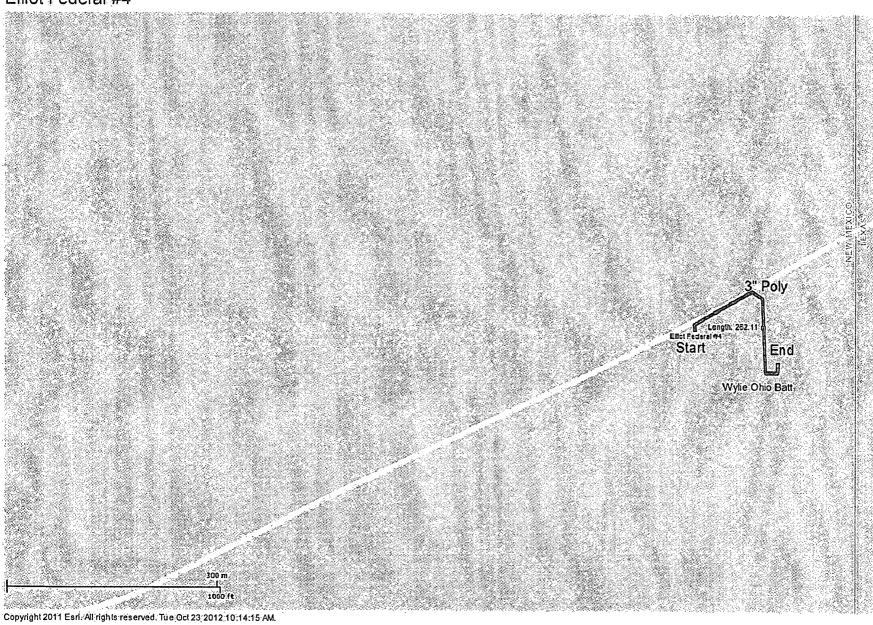
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

## My Map Elliot Federal #4



## My Map Elliot Federal #4



### **BLM LEASE NUMBER:** NMLC69048

**COMPANY NAME:** Sand Ridge Expl. & Prod., LLC

WELL NO. & NAME: Elliott Federal #4

#### STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Sundry Notices 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.

Activities of other parties including, but not limited to: b. (1) Land clearing. (2) Earth-disturbing and earth-moving work. (3) Blasting. (4) Vandalism and sabotage. Acts of God. c. 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. The pipeline shall be routed no farther than 6 feet from and parallel to existing roads. The authorized right-of-way width will be 20 \_\_\_\_ feet. 14 feet of the right-of-way width will consist of existing disturbance (existing lease roads) and the remaining 6 feet will consist of area adjacent to the disturbance. All construction and maintenance activity will be confined to existing roads. 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 24 inches under all roads, "twotracks," 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.
- 16. 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, powerline 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.

### 17. Special Stipulations:

#### **Lesser Prairie-Chicken**

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration

other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.