

112
P11111-2011-12-00
Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, #600, Oklahoma City, OK 73134-2600



5/28/02
Dominion

Phone: 405 749-5279
Land Fax: 405 749-6662

March 7, 2002

Via Overnight Mail

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Excalibur 20 Fed Com #1
1190' FNL & 2180' FWL
Section 20-15S-29E
Chaves County, New Mexico

02 MAR -8 PM 3:20
BLM - NEW MEXICO DIV

Dear Mr. Stogner:

This is a request for a non-standard gas well location in the Chaves (Morrow) Pool.

Our initial proposed well location was originally planned at a legal location, however, due to the request from Mr. Richard Hill of the BLM we are required to locate the well up and out of a drainage area. The revised location is now proposed at 1190' FNL & 2180' FWL, Section 20-15S-29E, Chaves County, New Mexico. This revised location will now require an exception to Division Rule 104.c (2)(a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission Case No. 12119.

The N/2 of Section 20 will continue to be the dedicated 320-acre lay down gas spacing and proration unit within the pool.

To comply with OCD rules we are submitting the following for your approval of this non-standard location:

C-102 plat showing location
APD

Should you have any questions or need further information, please do not hesitate to call.

Sincerely,

DOMINION OKLAHOMA TEXAS
EXPLORATION & PRODUCTION, INC.

Joe W. Hammond
District Landman
Encls.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Chaves (Morrow)
Property Code	Property Name	Well Number
	EXCALIBUR "20" FEDERAL COM	1
OGRID No.	Operator Name	Elevation
	DOMINION Oklahoma Texas Expl. & Prod.	3773'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	15 S	29 E		1190	NORTH	2180	WEST	CHAVES

Bottom Hole Location If Different From Surface

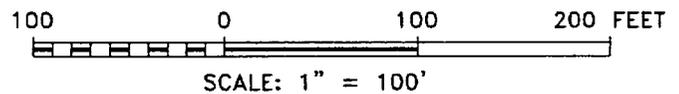
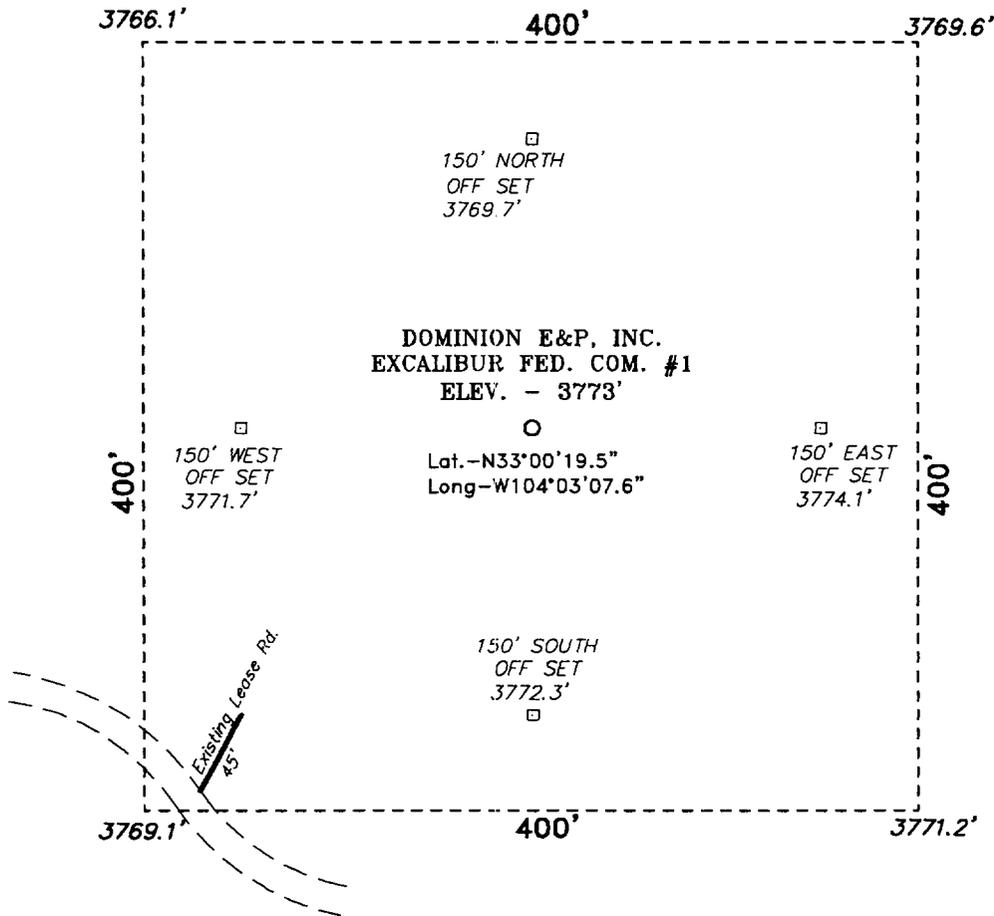
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Carla Christian</u> Signature</p> <p><u>Carla Christian</u> Printed Name</p> <p><u>Regulatory Technician</u> Title</p> <p><u>February 4, 2002</u> Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 29, 2002 Date Surveyed</p> <p><u>Gary L. Jones</u> Signature & Seal of Professional Surveyor</p> <p>NEW MEXICO 7977 W.O. No. 2273 Certificate No. Gary L. Jones 7977 BASIC PROFESSIONAL SURVEYOR</p>	

SECTION 20, TOWNSHIP 15 SOUTH, RANGE 29 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 285 AND STATE HWY 249 IN HAGERMAN, GO EAST ON HWY 249 FOR APPROX. 13 MILES TO A LEASE ROAD; THENCE SOUTHERLY ON LEASE ROAD FOR APPROX. 6.2 MILES; THENCE EASTERLY ON LEASE ROAD FOR APPROX. 1.4 MILE TO A PROPOSED LEASE ROAD.

Basin Surveys P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 2273 Drawn By: K. GOAD

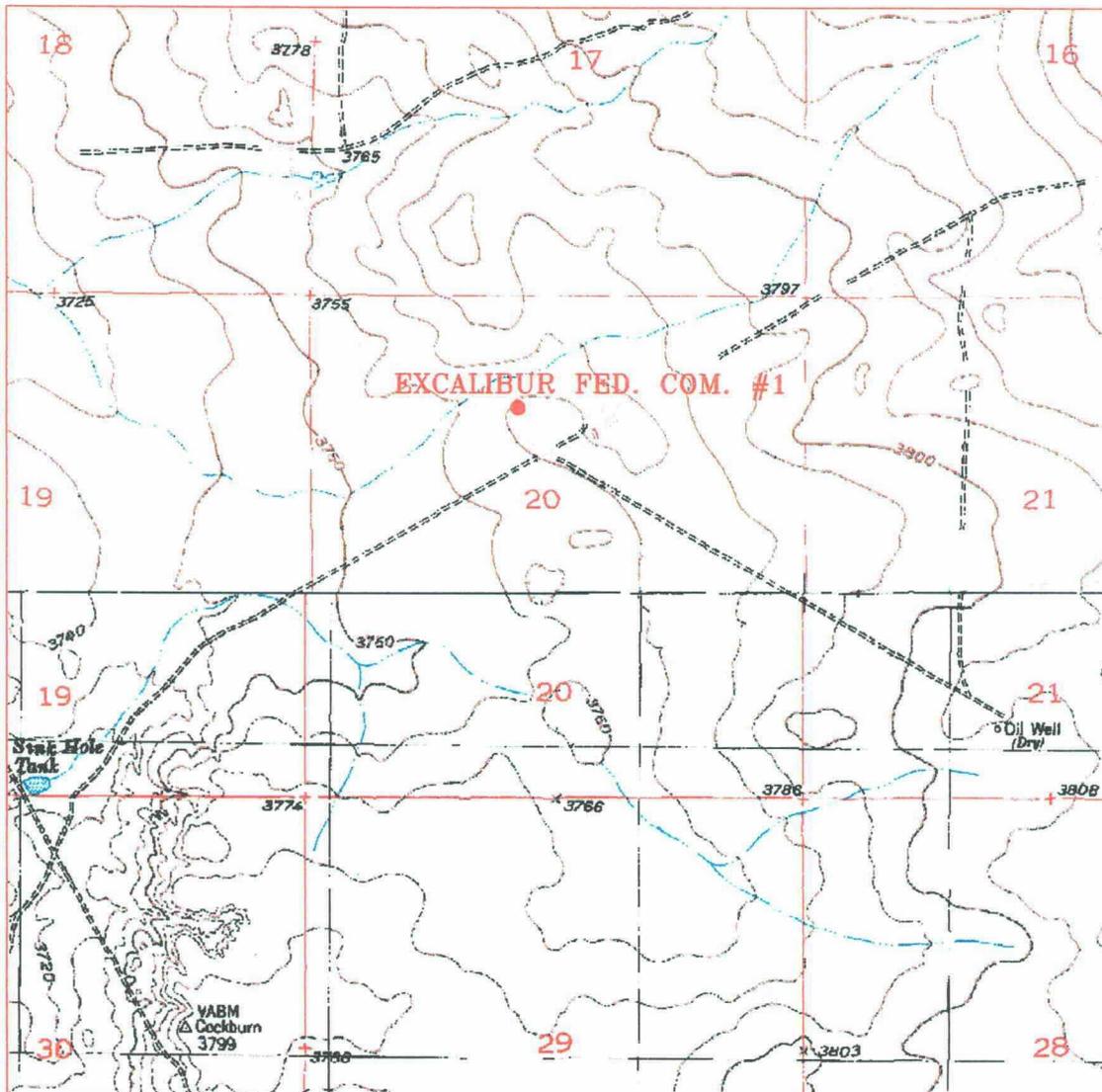
Date: 01-30-2002 Disk: KJG CD#4 - 2273A.DWG

DOMINION E&P, INC.

REF: EXCALIBUR FED. COM. #1 / Well Pad Topo

THE EXCALIBUR FED. COM. No. 1 LOCATED 1190' FROM THE NORTH AND 2180' FROM THE WEST LINE OF SECTION 20, TOWNSHIP 15 SOUTH, RANGE 29 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO.

Survey Date: 01-29-2002 Sheet 1 of 1 Sheets



EXCALIBUR FEDERAL COM. #1

Located at 1190' FNL and 2180' FWL
 Section 20, Township 15 South, Range 29 East,
 N.M.P.M., Chaves County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

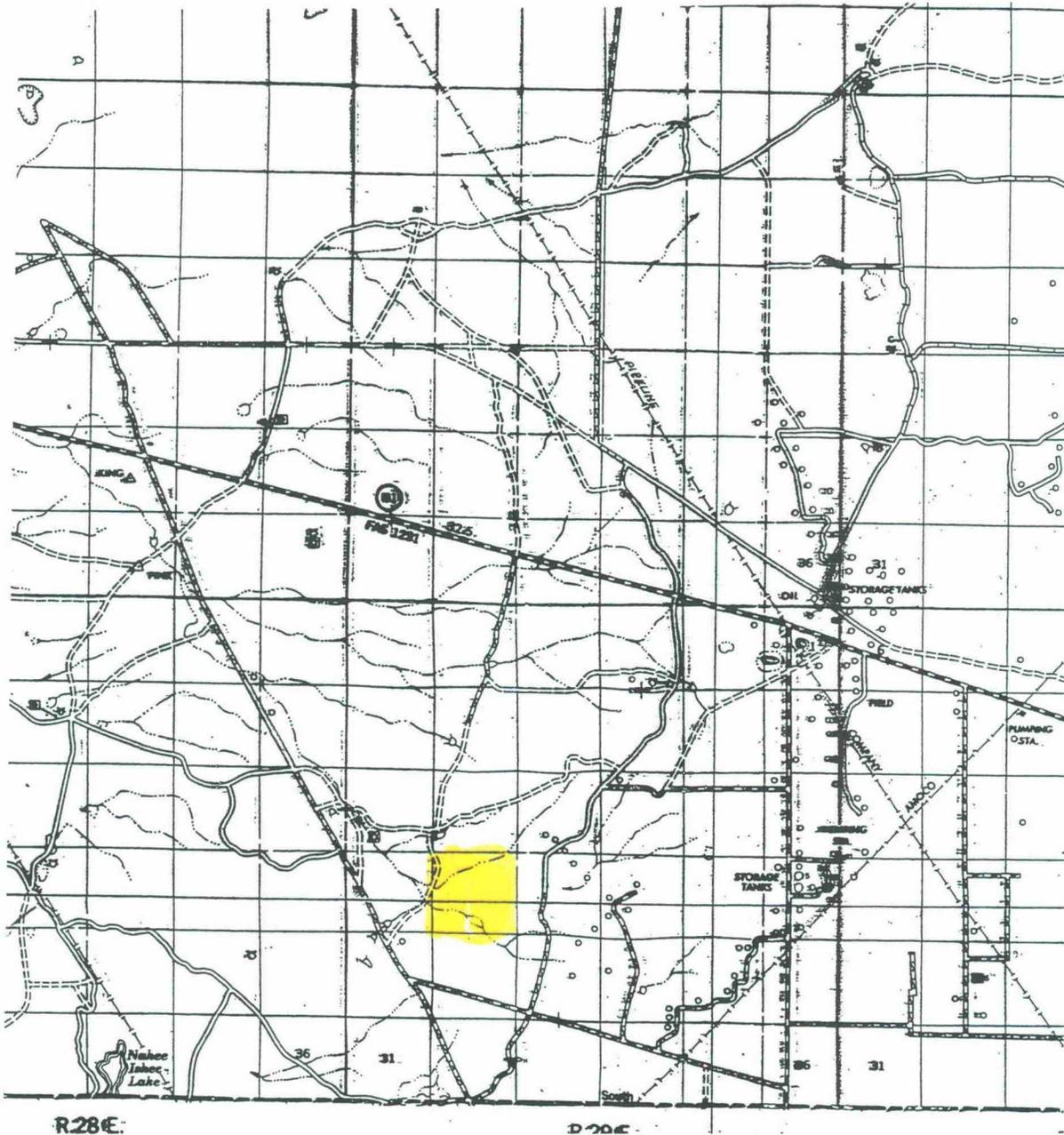
W.O. Number: 2273AA - KJG CD#5

Survey Date: 01-29-2002

Scale: 1" = 2000'

Date: 01-30-2002

**DOMINION
 E&P, INC.**



EXCALIBUR FEDERAL COM. #1
 Located at 1190' FNL and 2180' FWL
 Section 20, Township 15 South, Range 29 East,
 N.M.P.M., Chaves County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2273AA - KJG CD#5

Survey Date: 01-29-2002

Scale: 1" = 2 MILES

Date: 01-30-2002

DOMINION
 E&P, INC.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESCRIPTION AND SERIAL NO. NM-11467 / 077/C	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Dominion Oklahoma Texas Exploration & Production Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 14000 Quail Springs Parkway, Suite 600, Oklahoma City, OK 73134			8. FARM OR LEASE NAME, WELL NO. Excilibur Federal Com #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any state requirements.) At surface UL C, 990' FNL & 1980' FWL 1190' 2180' At proposed prod. zone			9. API NUMBER	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 Miles Northwest of Loco Hills, New Mexico			10. FIELD AND POOL, OR WILDCAT Chaves (Morrow)	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any) 990'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 20-15S-29E	
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.			20. ROTARY OR CABLE TOOLS R	
19. PROPOSED DEPTH 10,300'			22. APPROX. DATE WORK WILL START* 15-Feb-02	
21. ELEVATIONS (Show whether OF, RT, GR, etc.) 3766'				

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48#	400'	250 sx 35/65 & 180 sx Class C
11"	8 5/8" LT&C	24# & 32#	2000'	600 sx 35/65 & 220 sx Class C
7 7/8"	5 1/2" N-80	17#	10,300'	500 sx TXI

1. Drill 17 1/2" hole to ± 400'. Set 13 3/8" H-40, 48# surface csg at ± 400'. Cement w/250 sx 35/65 & 180 sx Class C.
2. Drill 11" hole to ± 2000'. Set 8 5/8" LT&C, 24# & 32# csg at ± 2,000'. Cement w/600 sx 35/65 & 220 sx Class C.
3. Drill 7 7/8" hole to ± 9,500'. Set 5 1/2" N-80, 17# csg at ± 10,300'. Cement w/500 sx TXI.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

See Attached "Exhibit 6" for BOP program

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Carla Christian TITLE Regulatory Technician DATE 1/7/02

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Larry D. Brown TITLE Assistant Field Manager, Lands And Minerals DATE MAR 01 2002

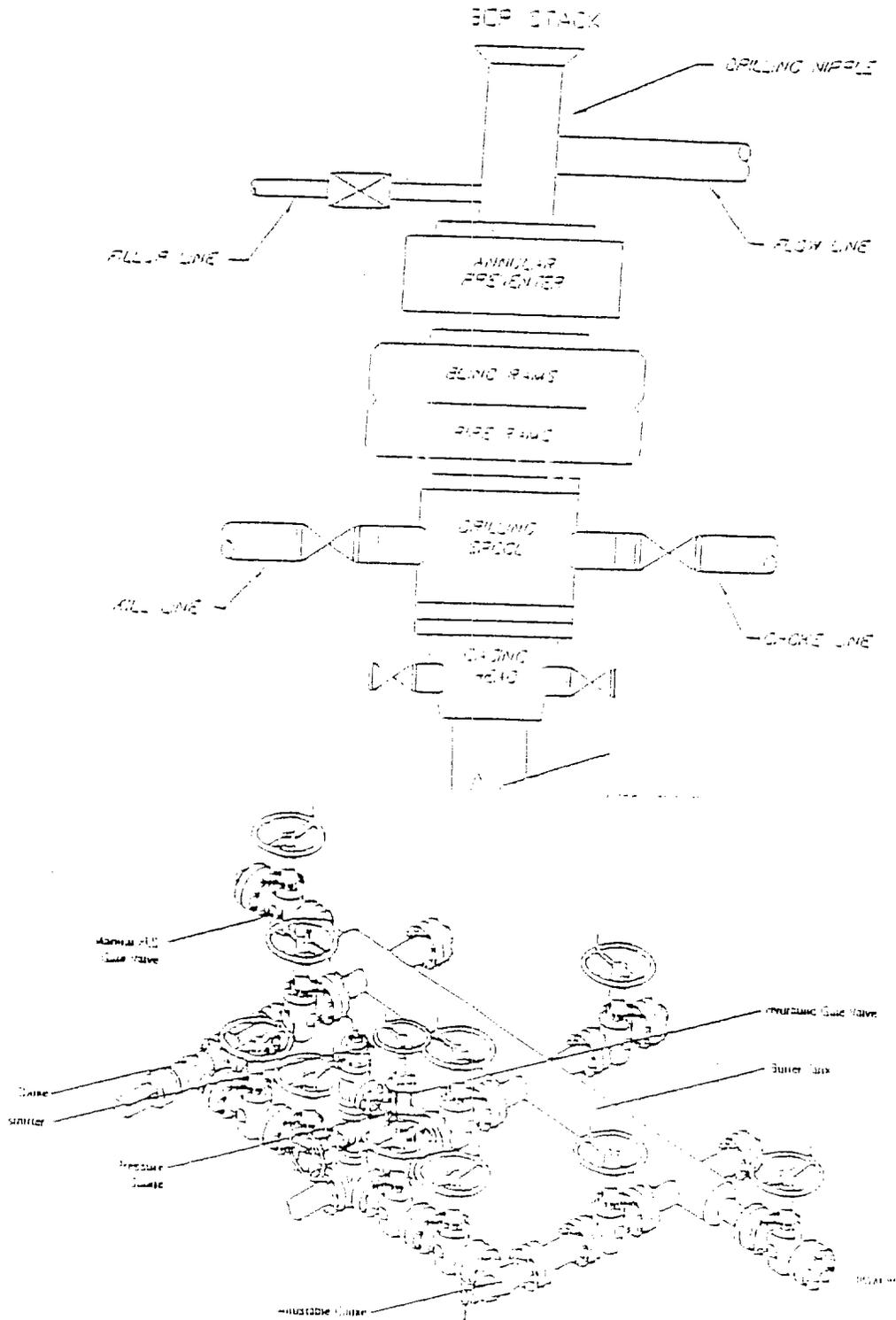
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, 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.

ILLEGIBLE

Exhibit C

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC



Typical Choke Manifold Designed for Land Drilling Applications

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name Chaves (Morrow)	
Property Code		Property Name EXCALIBUR "20" Federal Com			Well Number 1
OGRID No.		Operator Name DOMINION Oklahoma Texas Expl. & Prod.			Elevation 3773'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	15 S	29 E		1190	NORTH	2180	WEST	CHAVES

Bottom Hole Location If Different From Surface

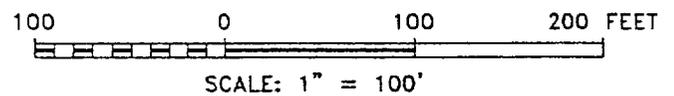
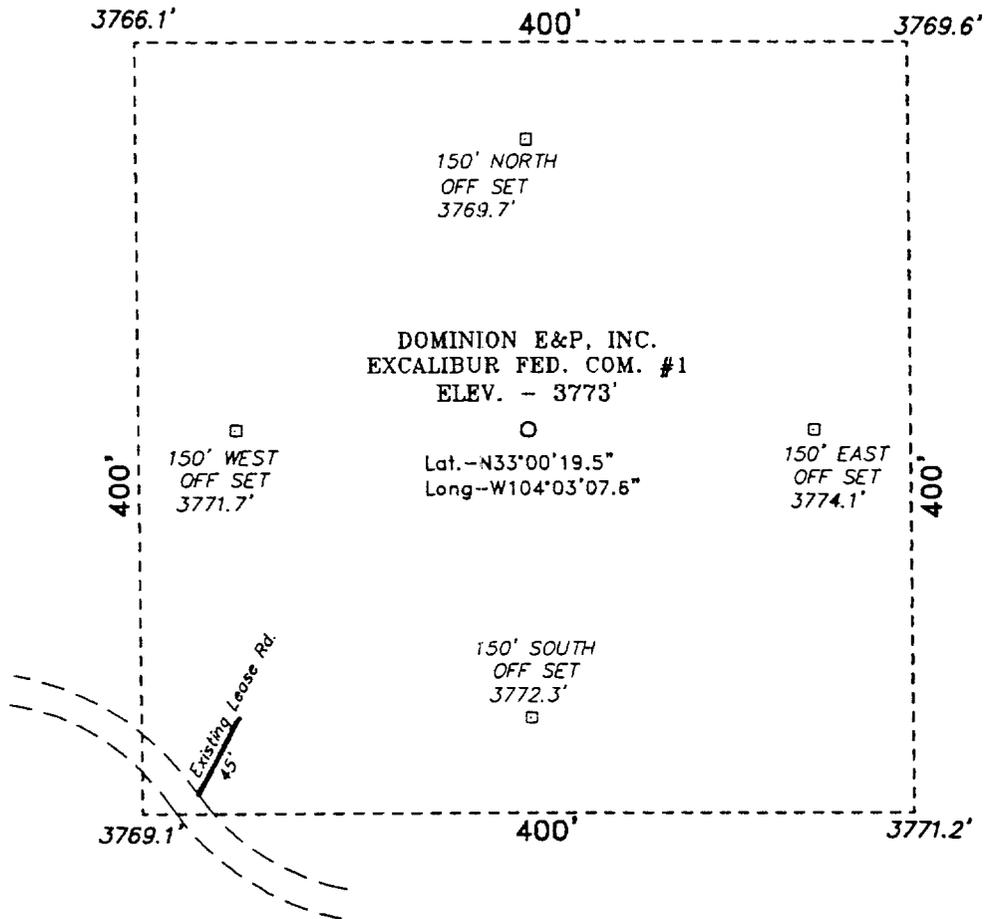
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Carla Christian</i> Signature</p> <p>Carla Christian Printed Name</p> <p>Regulatory Technician Title</p> <p>February 4, 2002 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>JANUARY 29, 2002 Date Surveyed</p> <p>Signature of <i>Gary L. Jones</i> Professional Surveyor</p> <p> N.M. No. 2273 Certificate No. 7977 Professional Surveyor BASIN SURVEYS</p>	

SECTION 20, TOWNSHIP 15 SOUTH, RANGE 29 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 285 AND STATE HWY 249 IN HAGERMAN, GO EAST ON HWY 249 FOR APPROX. 13 MILES TO A LEASE ROAD; THENCE SOUTHERLY ON LEASE ROAD FOR APPROX. 6.2 MILES; THENCE EASTERY ON LEASE ROAD FOR APPROX. 1.4 MILE TO A PROPOSED LEASE ROAD.

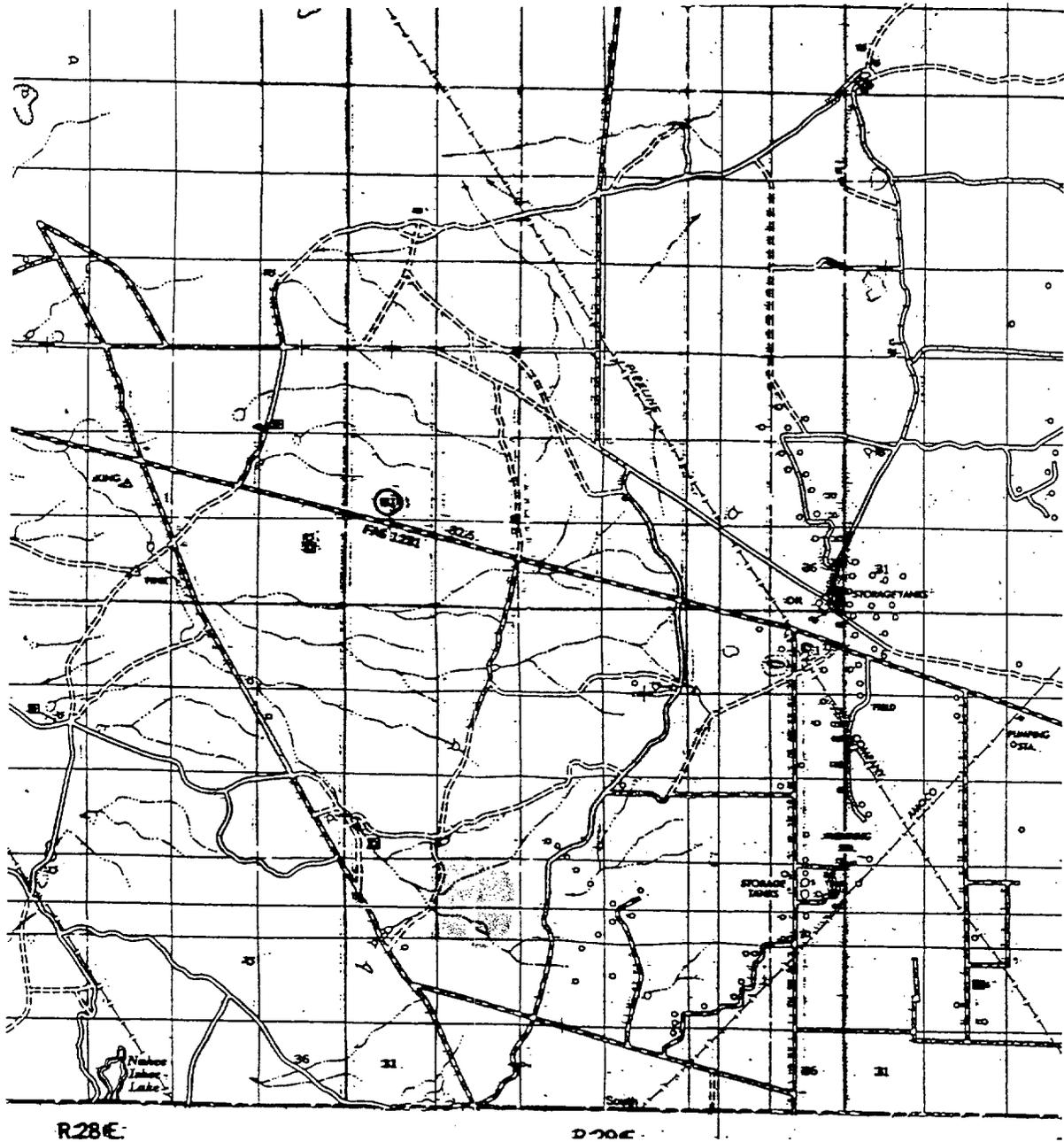
DOMINION E&P, INC.

REF: EXCALIBUR FED. COM. #1 / Well Pad Topo

THE EXCALIBUR FED. COM. No. 1 LOCATED 1190' FROM THE NORTH AND 2180' FROM THE WEST LINE OF SECTION 20, TOWNSHIP 15 SOUTH, RANGE 29 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 2273 | Drawn By: K. GOAD



EXCALIBUR FEDERAL COM. #1
 Located at 1190' FNL and 2180' FWL
 Section 20, Township 15 South, Range 29 East,
 N.M.P.M., Chaves County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

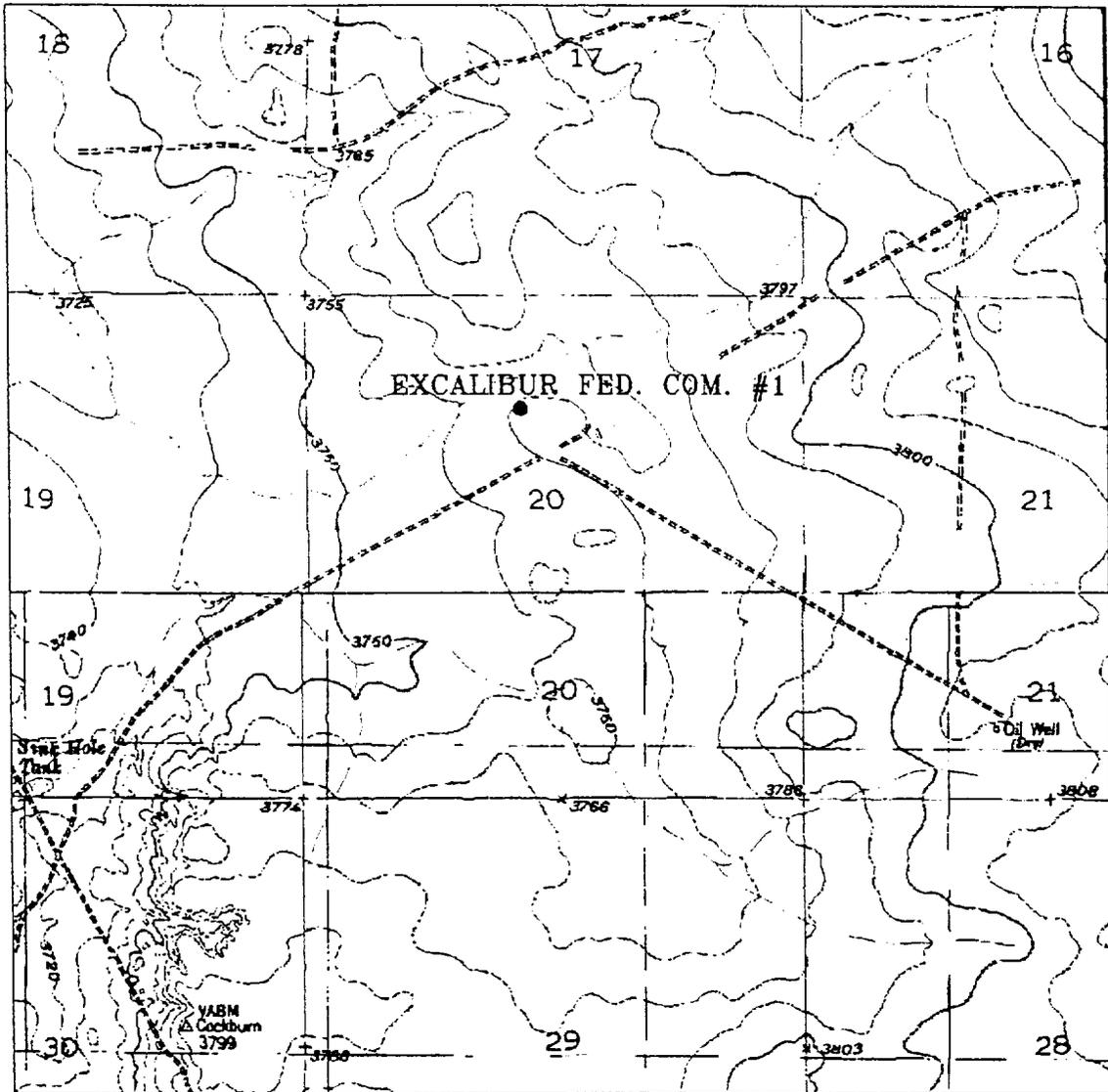
W.O. Number: 2273AA - KJG CD#5

Survey Date: 01-29-2002

Scale: 1" = 2 MILES

Date: 01-30-2002

DOMINION
 E&P, INC.



EXCALIBUR FEDERAL COM. #1
 Located at 1190' FNL and 2180' FWL
 Section 20, Township 15 South, Range 29 East,
 N.M.P.M., Chaves County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number:	2273AA - KJG-CD#5
Survey Date:	01-29-2002
Scale:	1" = 2000'
Date:	01-30-2002

DOMINION
 E&P, INC.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC,
EXCALIBUR FEDERAL COM WELL NO. 1
CHAVES COUNTY, NEW MEXICO
LEASE NO. NM 11467

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal may be made of the environmental effects associated with the operation.

The well, and work area have been staked by a registered New Mexico land surveyor. Geo-Marine Inc. has been engaged to make an Archaeological survey of the work area. A copy is attached for your reference (Exhibit "A").

1. Existing Roads

A copy of Map Reference U.S.G.S. 7.5' Series; King Camp, NM (1951, Photo inspected 1975), quadrangle map is attached showing the proposed location. The well location is spotted on this map, which also shows the existing road system (Exhibit B).

Directions to location:

From the junction of US hwy 285 and State Hwy 249 in Hagerman, go East on Hwy 249 for approximately 13 miles to a lease road; thence Southerly on lease road for approximately 6.2 miles; thence Easterly on lease road approximately 1.4 miles to a proposed lease road.

2. Planned Access Road

1. New access road to begin at the existing lease road, see attached Exhibit B.
2. Surfacing material: Caliche
3. Maximum Grade: N/A
4. Turnouts: Every 2,000'
5. Drainage Design: N/A
6. Culverts: N/A
7. Cuts and Fills: N/A

8. Gates and Cattle Guards: N/A
3. Existing wells within one mile radius of the proposed well are shown on (Exhibit C).
4. Location of Existing and/or Proposed Facilities
 1. If the well is productive, production facilities will be constructed on the well pad. The facility will consist of a separator, two 210 bbl oil tank and one 210 bbl fiberglass water tank. All permanent above ground facilities will be painted in accordance with the BLM's painting guidelines.
 2. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to and a site security plan will be submitted for the Excalibur Federal Com #1 tank battery. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
5. Location and Type of Water Supply

Fresh water and brine water will be used to drill this well. It will be purchased from a local source and transported to the well site.
6. Source of Construction Materials

Caliche will be hauled in from area caliche pits.
7. Method of Handling Waste Disposal
 1. Drill Cuttings will be disposed of in drilling pits.
 2. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
 3. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
 4. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 5. Trash, waste paper, garbage and junk will be collected in steel trash bins and removed after drilling and completion operations are completed. All waste material will be contained to prevent scattering by the wind.

6. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities
 1. None needed.

9. Wellsite Layout
 1. The location and dimensions of the well pad, mud pits, reserve pit and location of major rig components are shown on the well site layout sketch (Exhibit "D").
 2. Leveling of the well site will be required with minimal cuts or fills anticipated.
 3. The reserve pit will be plastic lined.
 4. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface
 1. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed.
 2. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any plastic material used to line the pits or sumps will be cut off below ground level as far as possible and disposed of before the pits are covered. All unattended pits containing liquid will be fenced and the liquid portion allowed to evaporate before the pits are broken and backfilled.
 3. After abandonment of the well, surface restoration will be in accordance with the BLM. This will be accomplished as expeditiously as possible. Barring unforeseen problems, all pits will be filled and leveled within 90 days after abandonment.

11. Surface Ownership
 1. The well site is on BLM surface.

12. Other information

1. Topography: Generally flat, a small intermittent drainage crosses the location northeast to southwest.
2. Soil: Gravelly fine sandy loam that is very shallow over caliche.
3. Flora and Fauna: Vegetation cover is little-leaf horsebush, mesquite, creosote, snakeweed, grasses.
4. Ponds and streams: There are no rivers, streams, lakes or ponds in the area.
5. Residences and Other Structures: None
6. Archaeological, Historical and Cultural Sites: Cultural resources have been recorded in the area. Geo-Marine Inc. has completed an archaeological report of the work area, see attached exhibit "A".
7. Land Use: Grazing
8. The well site, if a producer, will be maintained and kept clean of all trash and litter, which detracts from the surrounding environment. Equipment will be maintained in accordance with good operating practice.
9. After the wellsite is cleaned and pits and sumps backfilled, any obstruction to the natural drainage will be corrected by ditching or terracing. All disturbed areas, including any access road no longer needed, will be ripped. Those areas will be reseeded with native grasses as described by BLM.

13. Operator's Representatives and Certification

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

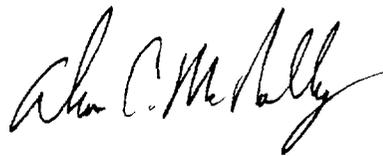
Gene Simer
District Operations Manager
309 S. Halagueno Street
Carlsbad, NM 88220
Office: (505) 885-1313
Mobile: (505) 390-3722

Alan McNally
District Engineering Manager
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Office: (405) 749-5277
Mobile: (405) 590-2449

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; that the work associated with the operations proposed herein will be performed by Dominion Oklahoma Texas Exploration & Production, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

January 4, 2002

Date



Alan C. McNally
District Engineering Manager
Dominion Oklahoma Texas
Exploration & Production, Inc.

TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CFO/RFO

1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 77082
4. Title of Report (Project Title) Class III Archaeological Survey of DOMINION EXPLORATION & PRODUCTION, INC.'s Proposed Excalibur Federal Com. #1 Well Pad and Access Road in Section 20, T15S, R29E, Chaves County, NM		5. Project Date(s) 12/14/01 to _____
7. Consultant Name & Address: Direct Charge: Mark C. Slaughter Name: Geo-Marine Inc. Address: 150-A N. Festival Drive, El Paso, TX 79912 Authors Name: R.C. Medlock Field Personnel Names: R.C. Medlock Phone: (915)585-0168		6. Report Date 12/17/01
10. Sponsor Name and Address: Indiv. Responsible: Mr. Gene Simer Name: DOMINION EXPLORATION & PRODUCTION, INC. Address: 309 S. Halagueno St. Carlsbad, NM 88220 Phone: (505)885-1313		8. Permit No. 103-2920-01-P
		9. Consultant Report No. 525EP
		11. For BLM Use Only.
		12. ACREAGE: Total No. of acres surveyed: <u>3.87</u> SURFACE OWNERSHIP: Federal: <u>3.87</u> State: _____ Private: _____
13. Location: (Maps Attached if Negative Survey)		
a. State: New Mexico		
b. County: Chaves		
c. BLM Office Roswell		
d. Nearest City or Town: Hagerman		
e. Legal Location: T <u>15S</u> R <u>29E</u> Sec. <u>24</u> : NE 1/4 NW 1/4 Well Footages: 990 FNL, 1980 FWL		
f. USGS 7.5 Map Name(s) and Code Number(s): King Camp, NM (1951, Photoinspected 1975) 33104-A1		
g. Area: Block: surveyed: 3.67 acres Impact: Within staked area Linear: Surveyed: 85' x 100' Impact: 85' x 50'		

14. a. Records Search; ARMS: Date(s): 12/10/01 Name(s): R.C. Medlock
BLM Office: Date(s): 12/13/01 Name(s): R.C. Medlock
List Sites within .25 miles of Project: None
Show sites within 500' on Project Map

b. Description of Undertaking:

Construction of a well pad and access road. The access road begins at an existing lease road.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.):

NRCS: Tencee-Simona-Sotim association: Gravelly fine sandy loam that is very shallow over caliche.

Topography: Generally flat, a small intermittent drainage crosses the location northeast to southwest.

Vegetation: Little-leaf horsebush, mesquite, creosote, snakeweed, grasses.

Visibility: 70% due to locally dense patches of grass.

Elevation: 3760-3770

d. Field Methods:

Parallel transects 15 meters apart

Crew size: 1

Time in field: 1.5 hrs

15. Cultural Resource Findings:

a. Identification and description

One isolated manifestation was found.

I.M. 1: T15S, R29E, Sec. 20: SE 1/4 NE 1/4 NW 1/4 588566E, 3652102N

Complete flake of gray quartzite, 0% cortex, single-facet platform, 31mm.

16. Management Summary (Recommendations):

Archaeological clearance is recommended. A BLM archaeologist should be notified immediately if any cultural resources are encountered at any time.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist

R.C. Medlock
Signature

12/18/01
Date

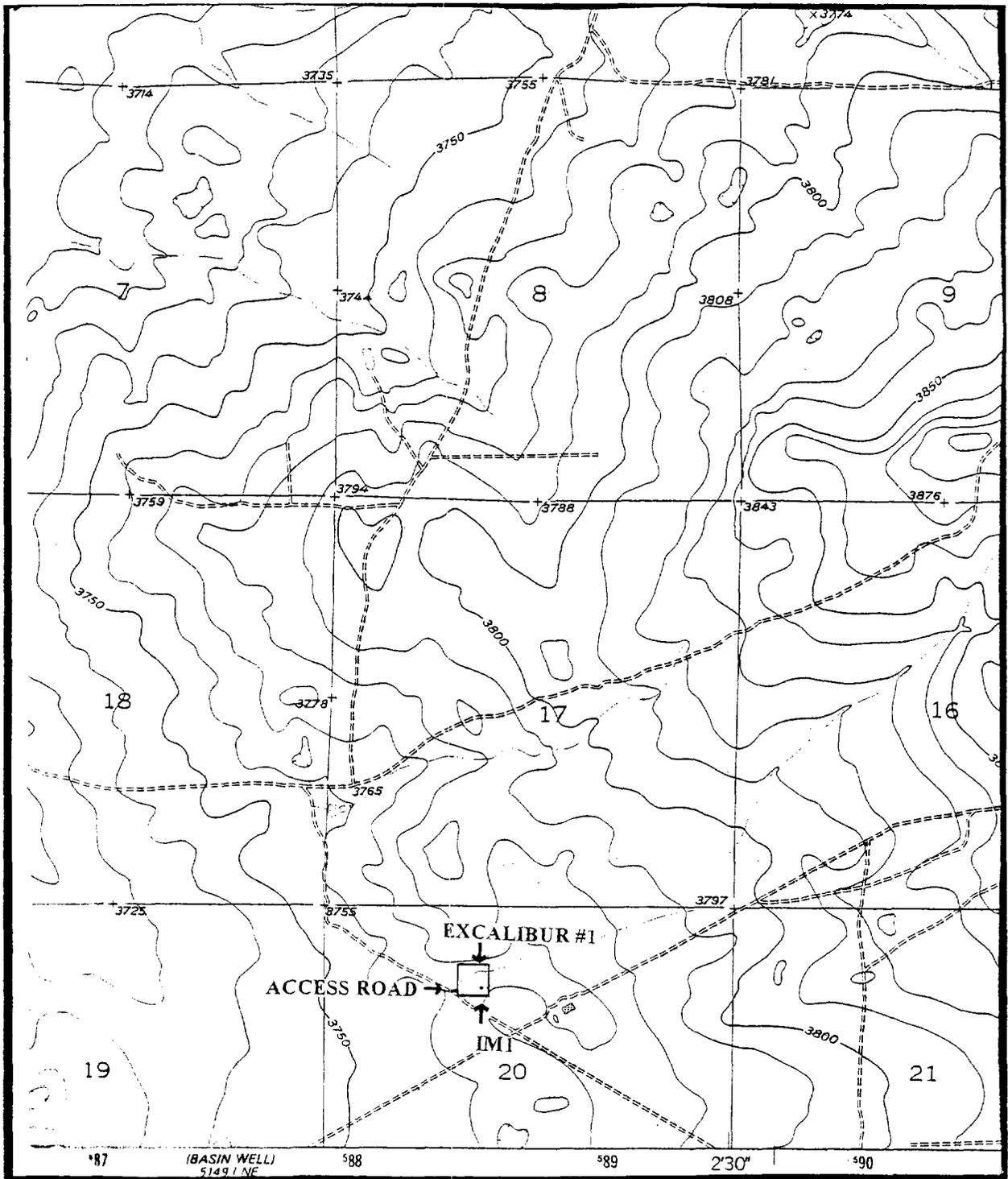


Figure 1. Location of DOMINION E&P, INC.'s Proposed Excalibur Federal Com. #1 Well Pad and Access Road in Section 20, T15S, R29E, NMPM, Chaves County, NM. Map Reference: U.S.G.S 7.5' King Camp, NM (1951, Photoinspected 1975).

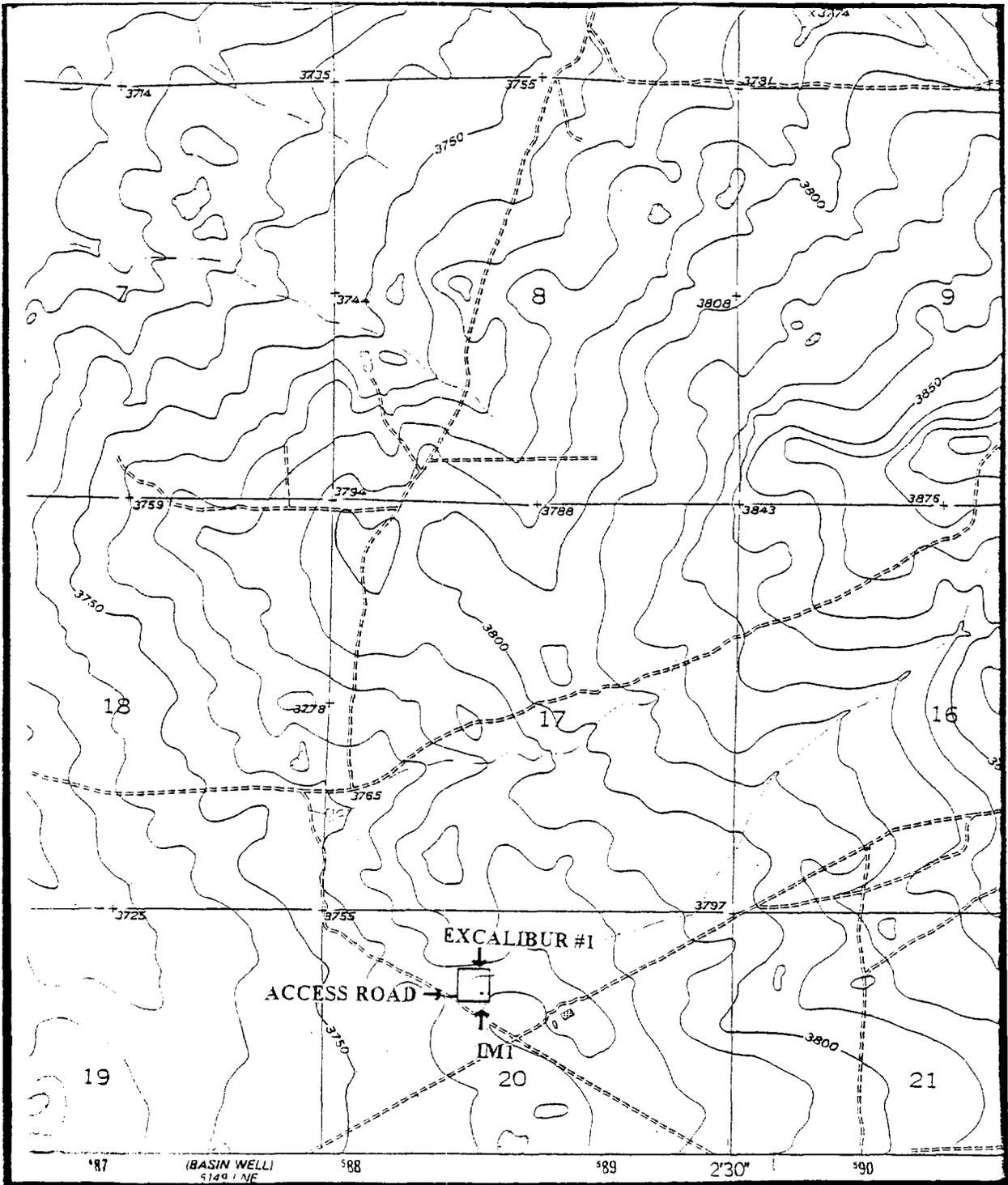
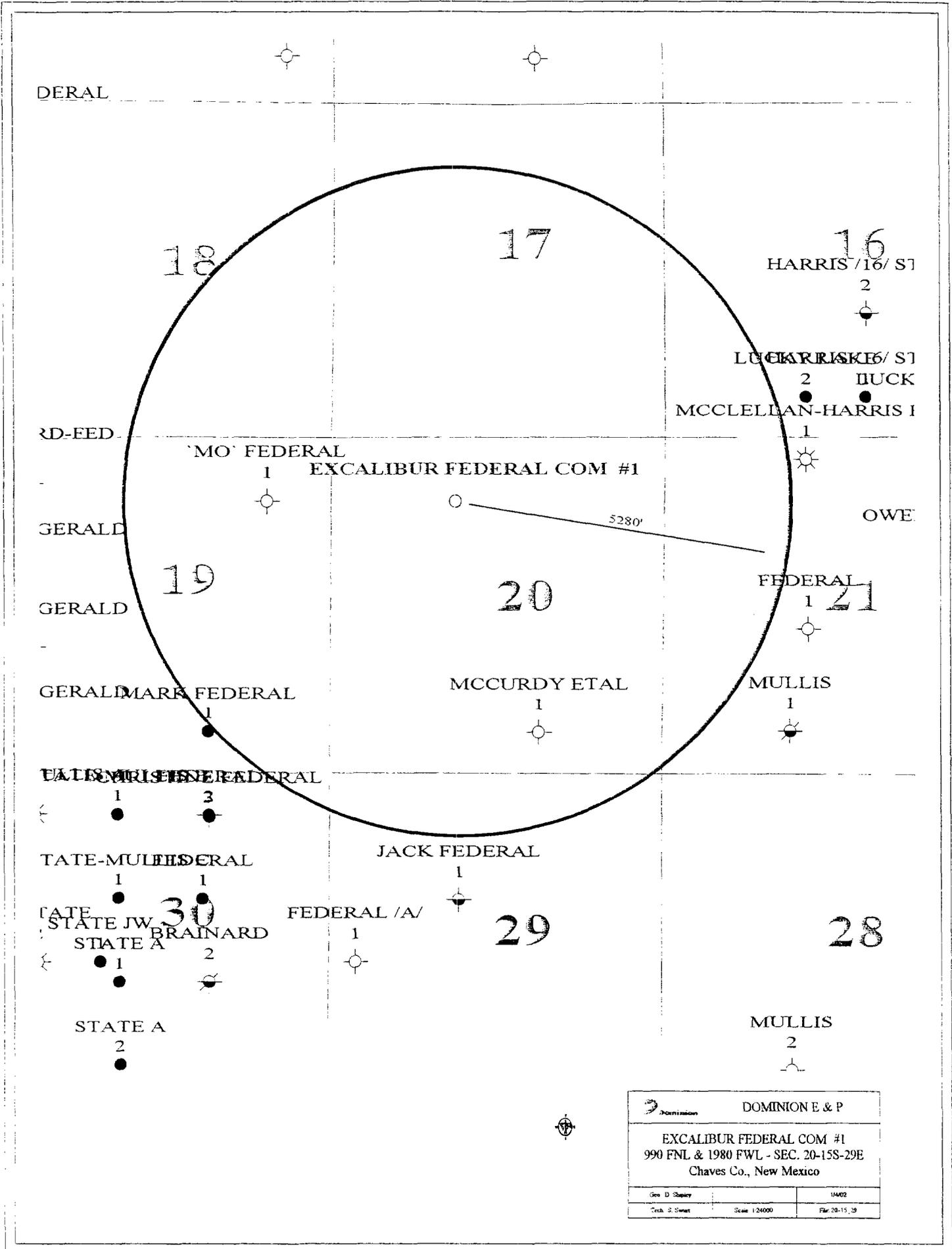


Figure 1. Location of DOMINION E&P, INC.'s Proposed Excalibur Federal Com. #1 Well Pad and Access Road in Section 20, T15S, R29E, NMPM, Chaves County, NM. Map Reference: U.S.G.S 7.5' King Camp, NM (1951, Photoinspected 1975).



4/20/88

Patterson Drilling Company

Rig #75

7,000' - 15,000'

DRAWWORKS

Erewstar N-75A, 1000 HP
 Brake: Parnac Model 342 Hydromatic
 1 1/2" Drilling Line - Crown-D-matic

ENGINES

Two 3412 Caterpillar engines, w/Torque Converter, 450 HP each

DERRICK

Pyramid, 137', 571,000 lb rated capacity

SUBSTRUCTURE

Pyramid, 31' high, 500,000 lb rated capacity
 KB - 33', Rotary Clearance 17'2"

MUD PUMPS

Pump #1: Nat 3-P-100, 1000 HP w/Cat 338
 Pump #2: Nat 3-P-100, 1000 HP w/Cat 333

DRILL STRING

12,000' 4-1/2" Drill Pipe
 Other sizes of drill pipe and drill collars are available

BLOWOUT PREVENTERS

3000# - 5000# working pressure as required

MUD SYSTEM

Two steel pits, 1000 bbl volume, 4 electric mud agitators, two 5' x 6' centrifugal pumps powered by two electric motors w/75/HP, Harmsburg 2-zone desander, Brandt Linear Flow-line cleaner & 700 bbl Pre-mix system if needed

MUD HOUSE

10 x 40 Storage

COMMUNICATIONS

24 hour direct cellular telephone

OTHER EQUIPMENT

Blocks, Gardner Denver 300 Ton
 Hook, Utilized
 Swivel, Emsco LS 300
 Rotary Table, National 27 1/2"
 Shale Shaker, Brandt Linear Flow-line Cleaner
 Electrical Power, Two 300-KW w/3406
 Fresh Water Storage, Two 500 bbl tanks
 Housing,
 Kelly, 5 1/4 Hex, 46' Long

*Hole Requirements will dictate actual Reserve Pit size (TOOLPUSHER SHOULD BE CONSULTED)

ILLEGIBLE

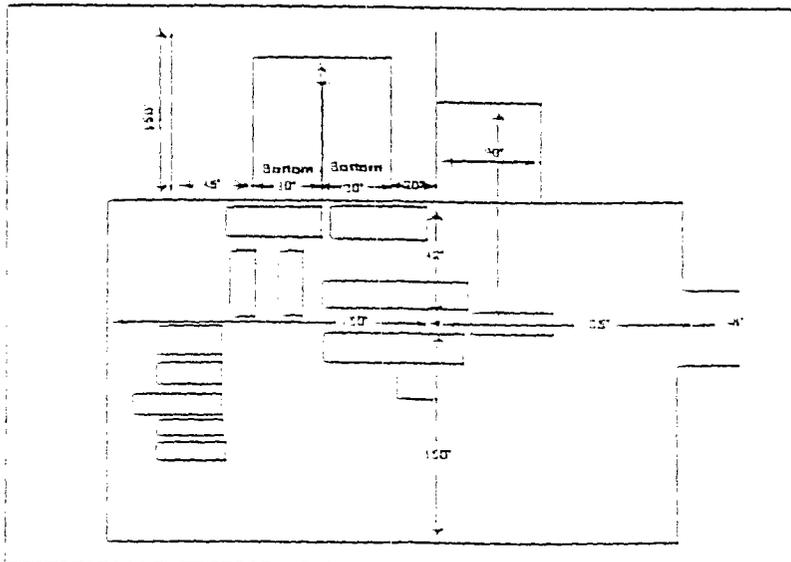


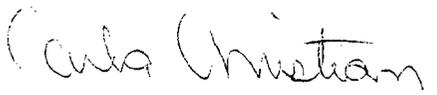
Fig 75

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator name: Dominion Oklahoma Texas Exploration & Production, Inc.
Street or Box: 14000 Quail Springs Parkway, Suite 600
City, State: Oklahoma City, OK
Zip: 73134

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

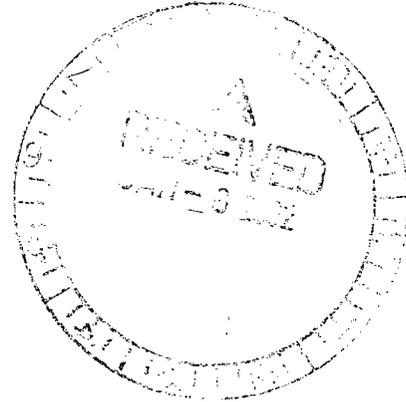
Lease No.: NM-11467
Legal Description of Land: UL C, Sec. 20-15S-29E, Chaves County, NM
Formation(s) (if applicable): Chaves (Morrow)
Bond Coverage: Nationwide
BLM Bond File No.: CO-1050

Authorized Signature: 
Title: Regulatory Technician
Date: January 4, 2002



January 7, 2002

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201



Re: Application for Permit to Drill
Dominion Oklahoma Texas Exploration & Production, Inc.
Excalibur Federal Com Well No. 1
Chaves County, New Mexico
Federal Lease NM - 11467

Gentlemen:

Dominion Oklahoma Texas Exploration & Production, Inc. respectfully requests permission to drill our Excalibur Federal Com Well No. 1 Well located 990' FNL and 1980' FWL of Section 20-T15S-R29E, Chaves County, New Mexico, Federal Lease NM-11467. The proposed well will be drilled to a TVD of approximately 10,300'. The location and work area have been staked approximately 12 miles Northwest of Loco Hills, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

1. Application for Permit to Drill:
 1. Form 3160.3, Application for Permit to Drill
 2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated December 3, 2001.
 3. The elevation of the unprepared ground is 3766' feet above sea level.
 4. The geologic name of the surface formation is Rustler.
 5. Rotary drilling equipment will be utilized to drill the well to TD 10,300' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
 6. Proposed total depth is 10,300' TVD.

7. Estimated tops of important geologic markers:

Tubb Sand	5,100 TVD
Abo Shale	5,900 TVD
Atoka Clastics	9,550 TVD
Lower Atoka	9,850 TVD
Morrow Clastics	9,900 TVD
Chester	10,100 TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary Objective: Morrow 9,900' TVD

9. The proposed casing program is as follows:

Surface: 13 3/8" 48# H-40 ST&C new casing set from 0-400'

Intermediate: 8 5/8" 24# & 32# J55 LT&C new casing set from 0-2,000'.

Production: 5 1/2" 17# N80 new casing set from 0-10,300' TVD.

10. Casing setting depth and cementing program:

1. 13 3/8" surface casing set at 400' in 17 1/2" hole. Circulate cement to surface with 250 sks 35/65/6% gel + 2% CaCl₂ mixed at 12.4 ppg, Yield – 2.0 cf/sk and 180 sk Class C + 2% CaCl₂ mixed @ 14.8 ppg, Yield – 1.32 cf/sk.

2. 8 5/8" 24# & 32# J-55 casing set at 2,000' in 11" hole. A fluid caliper will be ran to determine exact cement volume required. Cement will be circulated to surface with 600 sks 35/65/6% gel + 5% salt mixed at 12.4 ppg, yield – 2.15 cf/sk and 220 sks Class C + 1% CaCl₂ mixed at 14.8 ppg, yield – 1.32 cf/sk.

3. 5 1/2" 17# dual grade N80 casing set at 10,300' TVD. Hole will be logged to determine exact cement volume to bring TOC to 7,000'.

Cement with: 500 sks TXI + 4% D800 + .4% D167 + 2% D65 + 2% D46 mixed @ 13.0 ppg, yield – 1.47 cf/sk.

11. Pressure Control Equipment

0'– 400'	None
400'–2000'	<p>11" 5000# ram type preventers with one set blind rams and one set pipe rams and a 5000# annular type preventer. A choke manifold and accumulator with floor and remote operating stations and auxiliary power system.</p> <p>A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.</p>
2,000'–10,300'	<p>After setting the 8 5/8" casing, the blowout preventers and related control equipment shall be pressure tested to 5000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller=s Log. The BOP=s will be maintained ready for use until drilling operations are completed.</p> <p>BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.</p> <p>Accumulatory shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.</p>

12. Mud Program:

0' - 400'	Fresh water/native mud. Lime for pH control (9-10). Paper for seepage. Wt. 8.7 - 9.2 ppg, vis 32 - 34 sec.
400' - 2000'	Brine H2O. Sweep as necessary, weight 9.2 – 10.0.
2,000'-10,300'	Fresh Water/mud, weight 8.4 – 11.0. Sweep as necessary. Control fluid loss on top of Strawn.

13. Testing, Logging and Coring Program:

1. Testing program: DST=s are possible
2. Electric logging program: CNL/LDT/CAL/GR, DLL/CAL/GR.
3. Coring program: Possible sidewall rotary cores.

14. Anticipated starting date is February 15, 2002. It should take approximately 30 days to drill the well and another 15 days to complete.

The Multi-Point Surface Use & Operation Plan is attached. If you need additional information to evaluate this application, please call me at (405) 749-5263.

Sincerely,

LOUIS DREYFUS NATURAL GAS CORP.



Carla Christian
Regulatory Technician



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
P.O. Box 2909
Roswell, New Mexico 88201-2019

IN REPLY REFER TO:
NM 105307

MAR 01 2002

DECISION

Dominion Oklahoma Texas	:	
Exploration & Production, Inc.	:	
Attn: Gene Simer	:	Right-of-Way
P. O. Box 370	:	NM 105307
Carlsbad, NM 88221	:	

Right-of-Way Amendment Approved

By completed application received February 19, 2002, Dominion Oklahoma Texas Exploration and Production, Inc. , submitted a request to amend right-of-way NM 105307 granted February 8, 2002.

This amendment is for approximately 20,700 feet of additional access road with a right-of-way width of 30 feet. This amendment brings the total length of the access road to approximately 23,550 feet (4.461 miles, 16.219 acres)

The amendment is located in the following described lands:

T14S, R29E, NMPM

- Section 11: E2NE;
- Section 12: W2NW, SW;
- Section 13: N2SE, SESE;
- Section 24: NENE.

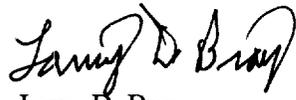
T15S, R29E, NMPM

- Section 19: Lots 1, 2 and SENW, S2SE, NESE;
- Section 20: SWNW, E2NW, E2SW.

For a total length of 4.461 miles (23,550 feet, 16.219 acres).

This amendment is granted under the authority of under the authority of Title V of the Federal Land Policy and Management Act of 1976, subject to the terms and conditions in 43 CFR 2801 for a term to coincide with that of the original grant and expires February 8, 2002. The amendment is subject to:

1. To all prior valid existing rights;
2. The requirements and provisions of 43 CFR 2800 and 2880;
3. The terms and conditions of the original grant;
4. And the attached standard stipulations for Roads.



Larry D. Bray
Assistant Field Manager
Lands and Minerals

Enclosures (2)
Standard Stipulations for Roads
Map

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS
THE ROSWELL DISTRICT, BLM

The holder/grantee/permittee shall hereafter be identified as the holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW).

GENERAL REQUIREMENTS

The holder shall minimize disturbance to existing fences and other improvements on public domain surface. 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 make a documented good-faith effort to 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.

Holder agrees to comply with the following stipulations:

1. ROAD WIDTH AND GRADE

The road will have a driving surface of 12 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked. Maximum width of surface disturbance from construction will be 24 feet.

Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING.

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

Flat-blading is authorized on segment(s) delineated on the attached map.

3. DRAINAGE.

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES	
Percent slope	Spacing interval
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible.

For this road the spacing interval for lead-off ditches shall be at

/ / 400 foot intervals.

/ / foot intervals.

/ / locations staked in the field as per spacing intervals above.

/ / locations delineated on the attached map.

B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).

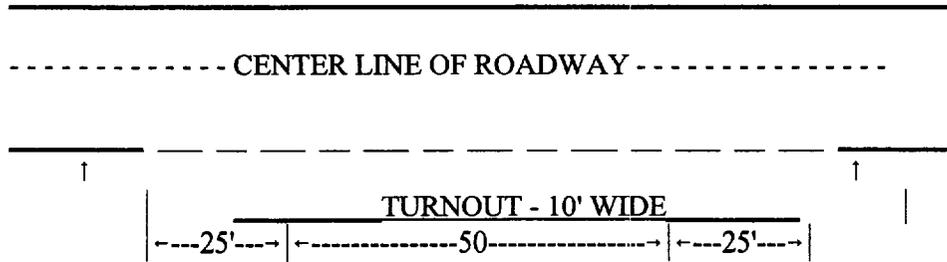
C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

$$\text{spacing interval} = \frac{400'}{\text{road slope in \%}} + 100'$$

Example: 4% slope: spacing interval = $\frac{400}{4} + 100 = 200$ feet

4. TURNOUTS.

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



STANDARD TURNOUT - PLAN VIEW

5. SURFACING.

Surfacing of the road or those portions identified on the attached map may, at the direction of the Authorized Officer, be required, if necessary, to maintain traffic within the right-of-way with caliche, gravel, or other surfacing material which shall be approved by the Authorized Officer. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface. Prior to using any mineral materials from an existing or proposed Federal source, authorization must be obtained from the Authorized Officer.

6. CATTLEGUARDS.

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

7. MAINTENANCE.

The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

8. PUBLIC ACCESS.

Public access along this road will not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

9. CULTURAL RESOURCES

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.

10. SPECIAL STIPULATIONS:

ROAD REHABILITATION SPECIFICATIONS

Unless the Bureau of Land Management (BLM) elects to accept the road and its future maintenance and rehabilitation and releases the Authorized User therefrom, all Bureau roads determined "as not needed" by Authorized User and Authorized Officer will be reclaimed to approximate natural contours. Roads with significant cuts will have fill material placed back onto cut sections using care not to mix topsoil with base material. Any improvements and debris must be removed, unless approved otherwise by the Authorized Officer.

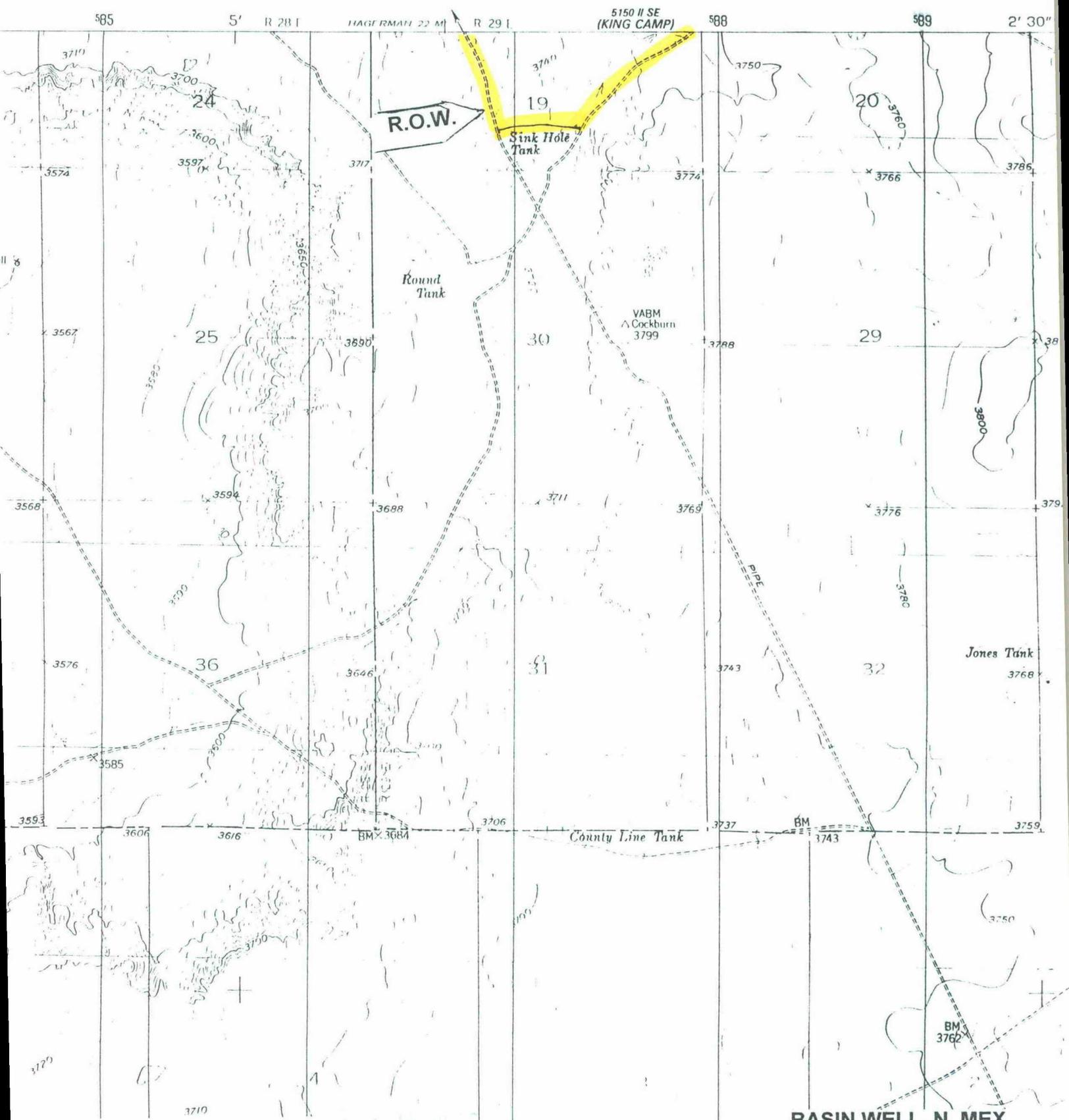
Roads will have the roadbeds ripped, scarified and otherwise roughened as directed by the BLM to ensure increased water infiltration and a properly prepared seedbed. In those cases where surfacing materials have been applied to the road, particularly in the case of caliche, BLM may require the operator to remove the caliche and deposit it in a pit, or stock pile it for reuse by the operator on other roads for which they are responsible.

Parallel-road berms will be removed and recontoured. Berms or gates will be used to block access to the rehabilitated road. Water bars will be used on sloping surfaces as shown below:

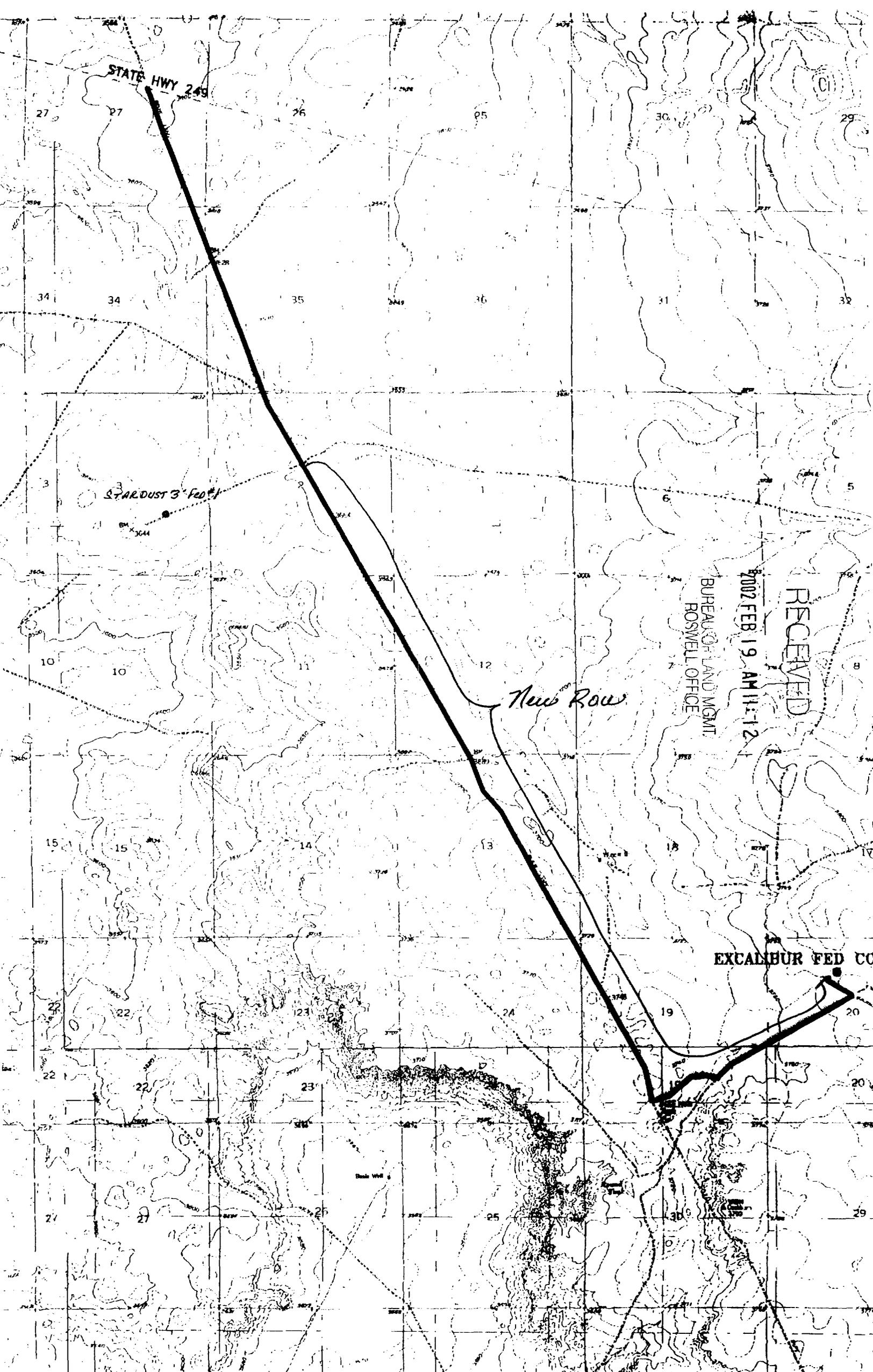
Grade	Spacing
2%	200 ft.
2-4%	100 ft.
4-5%	75 ft.
+ 5%	50 ft.

The rehabilitated areas will be seeded as directed by the BLM. The rehabilitation responsibility of an Authorized User terminates upon acceptance of the rehabilitation site by the Authorized Officer or his designated field representative.

Roads determined "as not needed" by the Authorized Users will be rehabilitated and closed in accordance with existing grant stipulations or, if none exist, with current BLM policy and regulations. If BLM determines that the road is still needed for other purposes, it shall notify the Authorized Users in writing of its determination. The BLM shall assume the responsibility for further maintenance and repair of the road and eventual rehabilitation. Where there are multiple Authorized Users for an existing road, the release by an Authorized User of his authorized use of the road, and acceptance thereof by BLM, shall relieve said Authorized User of any responsibility for maintenance and repair of the road and eventual rehabilitation after effective date of acceptance by BLM.



BASIN WELL, N. MEX.
32104-H1-TF-024
1953
PHOTOINSPECTED 1975
DMA 5149 1 NE-SERIES V881



STATE HWY 249

STAR DUST 3' Fed

New Row

RECEIVED

2002 FEB 19 AM 11:12

BUREAU OF LAND MGMT.
ROSWELL OFFICE

EXCALIBUR FED CO

3000 0 3000 6000 FEET

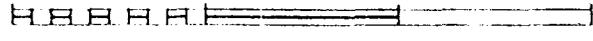


EXHIBIT A

Operator: Dominion Oklahoma Texas Exploration & Production, Inc.

BLM Serial Number: NM-107716

Well Name & NO.: Excalibur 20 Federal Com. #1

Location: Section 20, T. 15 S., R. 29 E.

1190' FNL & 2180' FWL, Chaves County, N.M.

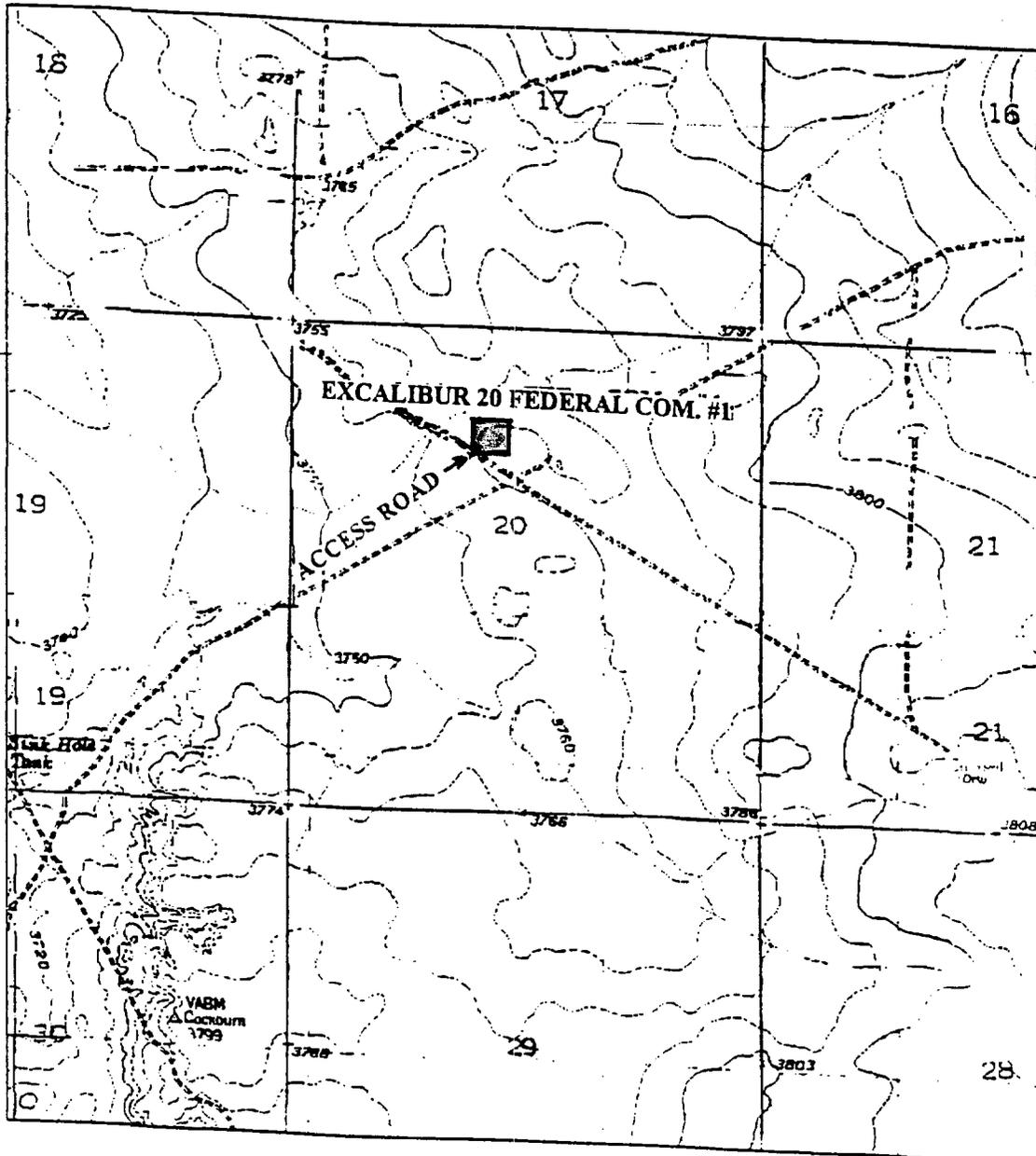


EXHIBIT A

Operator: Dominion Oklahoma Texas Exploration & Production, Inc.
BLM Serial Number: NM-107716
Well Name & NO.: Excalibur 20 Federal Com. #1
Location: Section 20, T. 15 S., R. 29 E.
1190' FNL & 2180' FWL, Chaves County, N.M.

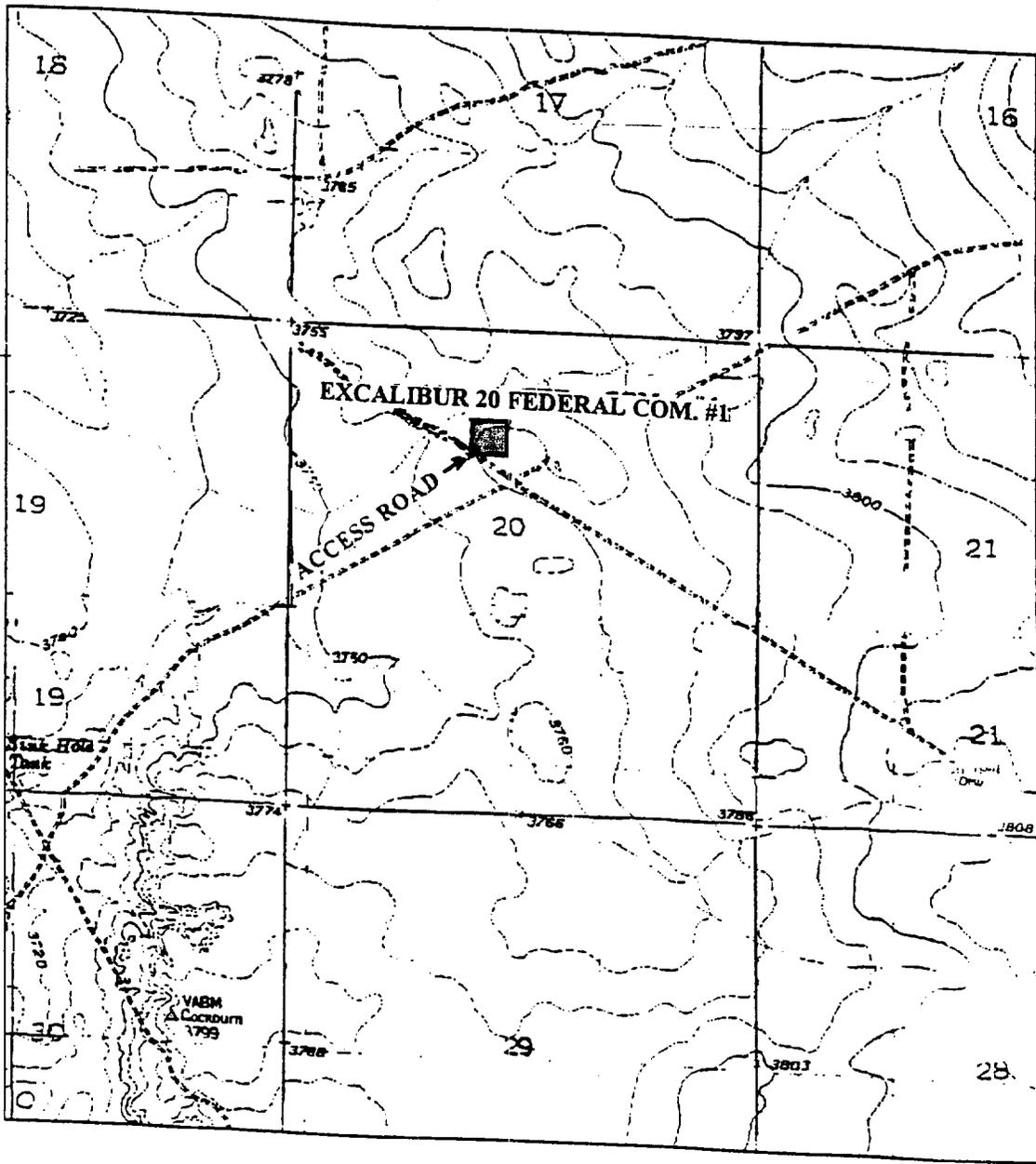


EXHIBIT A

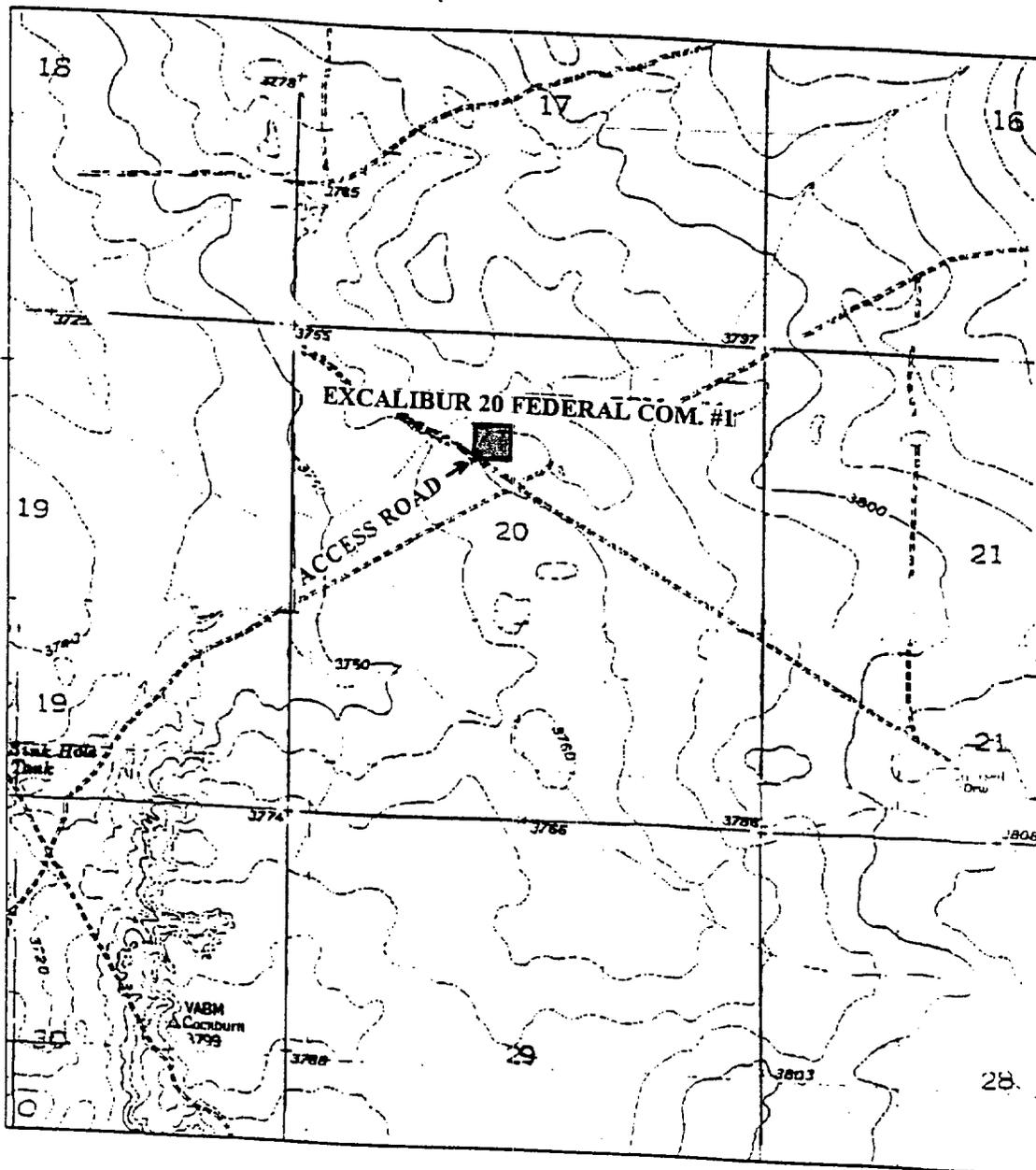
Operator: Dominion Oklahoma Texas Exploration & Production, Inc.

BLM Serial Number: NM-107716

Well Name & NO.: Excalibur 20 Federal Com. #1

Location: Section 20, T. 15 S., R. 29 E.

1190' FNL & 2180' FWL, Chaves County, N.M.





United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

EXHIBIT B

1 of 8 pages

WELL DRILLING REQUIREMENTS

OPERATORS NAME: Dominion Oklahoma Texas Exploration & Production, Inc.
LEASE NO.: NM-107716
WELL NAME & NO: Excalibur 20 Federal Com. #1
QUARTER/QUARTER & FOOTAGE: NE $\frac{1}{4}$ NW $\frac{1}{4}$ & 1190' FNL & 2180' FWL
LOCATION: Section 20, T. 15 S., R. 29 E., NMPM
COUNTY: Chaves County, New Mexico

I. GENERAL PROVISIONS:

- A. The operator has the right of administrative review of these requirements pursuant to 43 CFR 3165.1(a).
- B. The operator shall hereafter be identified as the holder in these requirements. The Authorized Officer is the person who approves the Well Drilling Requirements.

II. WELL PAD CONSTRUCTION REQUIREMENTS:

- A. The BLM shall administer compliance and monitor construction of the access road and well pad. Notify **Richard G. Hill** at least 3 working days (72 Hours) prior to commencing construction of the access road and/or well pad. Roswell Field Office number (505) 627-0247.
- B. Prior to commencing construction of the access road, well pad, or other associated developments, the holder shall provide the dirt contractor with **a copy of the approved APD signature page, a copy of the location map (EXHIBIT A), a copy of pages 1 & 2 from the Well Drilling Requirements (EXHIBIT B), and a copy of the Permanent Resource Road Requirements (EXHIBIT D).**
- C. The holder shall stockpile the topsoil from the surface of the well pad for reclamation purposes. The topsoil on the Excalibur 20 Federal Com. #1 well pad is approximate 6 inches in depth. Approximately 800 cubic yards of topsoil shall be stockpiled on the Northwest corner of the well pad, opposite the reserve pit. Upon reclamation of the well pad, the topsoil stockpile shall be redistributed over the disturbed areas. See Well Drilling Requirements - VI. Seeding Requirements - for reclamation of the well pad.
- D. **Reserve Pit Requirements:**
1. The reserve pit shall be constructed 150' X 125' on the **east** side of the well pad.
 2. The reserve pit shall be constructed four (4) feet below ground level. The reserve pit shall be constructed so that at least one half of the total drilling mud volume is below ground level.

3. The plastic lining that is used to line the reserve pit shall be at least 9 mil in thickness and have a bursting strength of 170 PSI. Upon reclamation of the reserve pit, any exposed plastic lining shall be removed and properly disposed of before the reserve pit is backfilled.
4. The reserve pit shall be fenced on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.
5. The reserve pit shall be constructed so as not to leak, break, or allow discharge of drilling muds. Under no circumstances will the reserve pit be cut to drain drilling muds on the terrain.
6. The reserve pit shall not be located in any natural drainage.
7. The reserve pit shall be equipped to deter entry by birds, bats, other wildlife, and livestock, if the reserve pit contains any oil and/or toxic fluids.
8. Drilling muds shall be properly disposed of before the reserve pit is reclaimed. Drilling muds can be allowed to evaporate in the reserve pit or be removed and transported to an authorized disposal site. The reserve pit shall be backfilled when dry.
9. Dumping of junk or trash into the reserve pit is not allowed. Junk or trash shall be removed from within the reserve pit before the reserve pit is reclaimed. **Junk or trash shall not be buried in the reserve pit.**

E. Federal Mineral Materials Pit Requirements:

1. Caliche, gravel, or other related materials from new or existing pits on Federal mineral estate shall not be taken without prior approval from the authorized officer. Contact Jerry Dutchover at (505) 627 -0236.
2. Payment for any Federal mineral materials that will be used to surface the access road and the well pad is required prior to removal of the mineral materials.

F. Well Pad Surfacing Requirement:

The well pad shall be surfaced with 6 inches of compacted caliche, gravel, or other approved surfacing material. The well pad shall be surfaced prior to drilling operations. **See Permanent Resource Road Requirements - EXHIBIT D - requirement #4, for road surfacing.**

G. Cave Requirements:

1. If, during any construction activities any sinkholes or cave openings are discovered, all construction activities shall immediately cease, and the Roswell Field Office shall be notified at (505) 627-0272.
2. The BLM Authorized Officer will, within 24 hours of notification in "A" above, conduct an on-the-ground field inspection for karst. At the field inspection the authorized field inspector will authorize or suggest mitigating measures to lessen the damage to the karst environment. A verbal order to proceed or stop the operation will be issued at that time.

III. DRILLING OPERATION REQUIREMENTS:

A. GENERAL DRILLING REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272, in sufficient time for a representative to witness:

A. Spudding B. Cementing casing: 13³/₈ inch 8⁵/₈ inch 5¹/₂ inch C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

B. CASING:

1. The 13³/₈ inch surface casing shall be set in the Rustler before drilling into the Salado and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

3. The minimum required fill of cement behind the 5¹/₂ inch production casing is cement shall extend upward a minimum of 500 feet above the uppermost perforation.

C. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13³/₈ inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 5000 psi and tested prior to drilling into the Wolfcamp Formation.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

D. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- **Recording pit level indicator to indicate volume gains and losses.**
- **Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.**
- **Flow-sensor on the flow-line to warn of abnormal mud returns from the well.**

IV. DOWN HOLE ABANDONMENT REQUIREMENTS:

A. If the well is a dry hole and will be plugged, approval of the proposed plugging program may be obtained orally. However, oral approval must be confirmed in writing by immediately filing a Sundry Notice And Report On Wells (Form 3160-5) "**Notice of Intention to Abandon**", and submitting an original and five (5) copies to the Roswell Field Office. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where plugs are to be placed, type of plug, type of plugging mud, etc..

B. If the well is not drilled, please notify the BLM so that an official release can be approved.

V. SURFACE RECLAMATION/RESTORATION REQUIREMENTS:

A. When the well is abandoned the "**Notice of Intention to Abandon**" (Form 3160-5) could also be used by the holder as the initial report for the surface reclamation/restoration of the access road and well pad. Upon receipt of the "NOI" the Authorized Officer shall provide the holder with the specific requirements for the reclamation/restoration of the access road and well pad.

B. **Subsequent Report Of Abandonment:** The holder shall submit a second report on Form 3160-5, Sundry Notice and Report On Wells, the original and five (5) copies to the Roswell Field Office, pertaining to the reclamation/restoration of the access road and well pad. The holder shall demonstrate that the surface reclamation/restoration requirements have been complied with. The holder shall specify that the reclamation work accomplished the restoration of the disturbed areas to as near the original surface condition the land was in prior to construction of the access road and well pad.

C. **Final Abandonment Notice:** The holder shall submit a third report on Form 3160-5, Sundry Notice and Report On Wells, the original and five (5) copies to the Roswell Field Office, that will ascertain that all surface reclamation/restoration requirements have finally been completed and that the access road and well pad are ready for final inspection. The holder shall specify that the surface has been reclaimed in accordance with federal regulations and request final approval of the access road and well pad.

D. The holder shall comply with all the surface reclamation/restoration required by the Authorized Officer pertaining to the reclamation/restoration of the access road and well pad. Liability under bond shall be retained until surface reclamation/restoration of the access road and well pad has been completed to the satisfaction of the Authorized Officer.

VI. SEEDING REQUIREMENTS:

A. The stockpile of topsoil shall be spread over the well pad to cultivate a seed bed. The holder shall not mix the topsoil with the reserve pit area soil. The mixing of the soils will render the conservation of the topsoil for reclamation purposes pointless, if the topsoil is contaminated with the reserve pit mud soils.

B. The reclaimed area(s) shall be seeded with the seed mixture that was determined by the Roswell Field Office for the Desired Plant Community on this well site.

C. The same seed mixture shall be used on the reclaimed access road; See **PERMANENT RESOURCE ROAD REQUIREMENT #12.**

D. The planting of the seed shall be done in accordance with the following seeding requirements:

1. **The access road and well pad shall be ripped a minimum of 16 inches deep.** The topsoil soil shall be plowed under with soil turning equipment and the plowed surface shall be disked before seeding. Seed shall be planted using a drill equipped planter with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds have a tendency to drop to 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 shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled.

2. The holder shall seed all the disturbed areas with the DPC seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed per acre, (Pounds of pure live seed per acre: pounds of seed X percent purity X percent germination = pounds pure live seed). There shall be no primary or secondary noxious weeds in the seed mixture.

In accordance with State law(s) the seed should be tested for purity and viability within nine (9) months prior to sell. Commercial seed shall be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and the certified seed tag shall be made available for inspection by the Authorized Officer.

3. Desired Plant Community seed mixture to be planted in pounds of pure live seed per acre:

SAND BLUESTEM , var. Woodward (<u>Andropogon hallii</u>)	2.0 Lbs.
LITTLE BLUESTEM var. Pastura (<u>Andropogon scoparius</u>)	1.0 Lb.
SIDEOATES GRAMA (<u>Bouteloua curtipendula</u>)	1.5 Lbs.
var. Vaughn or El Reno	
SAND DROPSEED (<u>Sporobolus cryptandrus</u>)	0.33 Lb.
PLAINS BRISTLEGRASS (<u>Setaria macrostachya</u>)	2.0 Lbs.
DESERT or SCARLET (<u>Sphaeralcea ambigua</u> or	0.67 Lb.
GLOBEMALLOW <u>S. coccinea</u>)	
BUCKWHEAT (<u>Eriogonum spp.</u>)	<u>1.5 Lbs.</u>
Pure live seed per acre =	9.0 Lbs.

E. The recommended time to seed is from June 15th through September 15th. The optimum seeding time is in mid-July. Successive seeding should be done either late in the fall (Sept. 15th - Nov. 15th, before freeze up) or early as possible the following spring to take advantage of available ground moisture. However, the holder may seed immediately after completing surface abandonment requirements.

F. The seeding of the disturbed areas shall be repeated until a vegetation thicket is established on the access road and well pad. The Authorized Officer shall make the determination when the revegetation growth on the disturbed areas is satisfactory.

G. The holder shall be responsible for the establishment of vegetation on the access road and well pad. Evaluation of vegetation growth will not be made before the completion of the first growing season after seeding. The Authorized Officer reserves the right to require reseeding at a specific time if seed does not germinate after one growing season. Waiver of this requirement would be considered if diligent attempts to revegetate the disturbed areas have failed and the Authorized Officer determines that further attempts to replant the access road and well pad is futile.

H. Contact Richard G. Hill at (505) 627-0247 to witness the seeding operations, two (2) days prior to seeding the disturbed areas.

VI. Invasive and Noxious Weeds Requirement:

A. The holder shall be held responsible if noxious weeds become established within the area. Evaluation of growth of the noxious weeds shall be made upon discovery. Weed control will be required on the disturbed lands resulting from this actions, which include the roads, pads and associated pipelines and on adjacent lands affected by the establishment of weeds due to this action.

B. The holder shall insure that the equipment and or vehicles that will be used to construct, maintain and administer the access roads, well pad, and resulting well are not polluted with invasive and noxious weed seeds. Transporting of invasive and noxious weed seeds could occur if the equipment and vehicles were previously used in noxious weed infested areas. In order to prevent the spread of noxious weeds, the Authorized Officer shall require that the equipment and vehicles be washed clean prior to construction, maintenance and administration of the access roads, well pad, and resulting well.

VII. ON LEASE - WELL REQUIREMENTS:

A. The holder shall post signs identifying the location permitted herein with the requirements contained in Onshore Oil and Gas Order #1 and 43 CFR 3162.6.

B. The following data is required on the well sign that shall be posted in a conspicuous place on the well pad. **The communitization agreement number shall be posted on the well sign.** The sign shall be kept up with current identification and shall be legible for as long as the well is in existence:

Operator Name: Dominion Oklahoma Texas Exploration & Production, Inc.

Well Name & No.: Excalibur 20 Federal Com. #1

Lease No.: NM-107716

Footage: 1190' FNL & 2180' FWL

Location: Section 20, T. 15 S., R. 29 E.

C. UPON ABANDONMENT OF THE WELL, THE SAME INFORMATION SHALL BE INSCRIBED ON THE DRY HOLE MARKER WITH A BEADED WELD.

D. The approval of the APD does not in any way imply or grant approval of any on-lease, off-lease, or off-unit action(s). It is the responsibility of the holder to obtain other approval(s) such as rights-of-way from the Roswell Field Office or other agencies, including private surface landowner(s).

E. All vehicles, including caterpillar track-type tractors, motor graders, off-highway trucks and any other type of motorized equipment that is used in the construction of the access road and well pad shall be confined to the area(s) herein approved. The drilling rig that is used to drill the well shall also be confined to the approved area(s).

F. Containment Structure Requirement:

1. A containment structure or earthen dike shall be constructed and maintained around all storage facilities/batteries. The containment structure or earthen dike shall surround the storage facilities/batteries.
2. The containment structure or earthen dike shall be constructed two (2) feet high around the facilities/batteries (the containment structure or earthen dike can be constructed higher than the two (2) feet high minimum).
3. The perimeter of the containment structure or earthen dike can be constructed substantial larger for greater holding capacity of the contents of the largest tank.
4. The containment structure or earthen dike shall be constructed so that in case of a spill the structure can contain the entire contents of the largest tank, plus 24 hour production, within the containment structure or earthen dike, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

G. Well Completion Requirement:

If the well is completed, all areas of the well pad not necessary for operations shall be reclaimed to resemble the original contours of the surrounding terrain. Cut-and-fill slopes shall be re-contoured and reduced to a slope of 3:1 or less.

H. Painting Requirement:

All above-ground structures (e.g.: meter houses, tanks, above ground pipelines, and related appurtenance, etc.) 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 painting all the well facilities is Slate Gray, Munsell Soil Color Chart Number 5Y 6/1.

I. Fence Requirement:

The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair impacted improvements to at least their former state. On private surface the holder shall 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 shall be allowed unless approved by the Authorized Officer.

J. Open-vent Exhaust Stack Requirements:

1. All open-vent exhaust stacks associated with heater-treater, separators and dehydrator units shall be modified to prevent birds and bats from entering them and to the extent practical to discourage perching and nesting.
2. New production equipment installed on federal leases after November 1st, 1993, shall have the open-vent exhaust stacks constructed to prevent the entry of birds and bats and to the extent practical, to discourage perching, and nesting.

VIII. SPECIAL REQUIREMENT(S):

- A. Low-profile facilities no greater than eight-feet-high shall be used. If necessary, multiple tanks shall be used.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

EXHIBIT C

1 of 3 pages

CONDITIONS OF APPROVAL

OPERATOR: Dominion Oklahoma Texas Exploration & Production, Inc.

LEASE NO: NM-107716

WELL NAME & NO.: Excalibur 20 Federal Com. #1

LOCATION: Section 20 T. 15 S., R. 29 E., N.M.P.M.

QUARTER/QUARTER & FOOTAGE: NE¼NW¼ - 1190' FNL & 2180' FWL

COUNTY: Chaves County, New Mexico

GENERAL CONDITIONS OF APPROVAL:

1. The **operator** shall hereafter be identified as the **holder** in these requirements. The Authorized Officer is the person who approves the Conditions Of Approval.
2. The holder shall indemnify the United States against any liability for damage to life or property arising from occupancy or use of public lands under this authorization.
3. The holder shall have surface use approval prior to any construction work on change(s) or modification(s) to the access road and/or well pad. The holder shall submit (Form 3160-5), Sundry Notice and Report On Wells, an original plus one (1) copy to the Roswell Field Office, stating the basis for any changes to previously approved plans. Prior to any revised construction the holder shall have an approved Sundry Notice and Report On Wells or written authorization to proceed with the change in plans ratified by the Authorized Officer.

4. **Weed Control:**

The holder shall be responsible for weed control on disturbed areas within the limits of the site. The holder is responsible for consultation with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policy.

5. **Hazardous Substances:**

- a. 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. seg.*) with regard to any toxic substances that are used, generated by or stored on the project/pipeline route or on facilities authorized. (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.

b. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substances 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. seg.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et. seg.*) on this project/pipeline (unless the release or threatened release is wholly unrelated to the holder's activity on the pipeline). This agreement applies without regard to whether a release is caused by the operator, its agent, or unrelated third parties.

6. Undesirable Events:

If, during any phase of the construction, operation, maintenance, or termination of the authorization, any oil or other pollutants, should be discharged, and impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutants, 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.

7. Archaeological, Paleontology, and Historical Sites:

a. 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 shall 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.

b. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of the project work, the holder shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The holder or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes. Any unauthorized collection or disturbance of cultural resources may result in a shutdown order by the Authorized Officer.

8. **Sanitation:**

The holder shall be responsible for maintaining the site in a sanitary condition at all times; waste materials shall be disposed of promptly at an appropriate waste disposal site. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.

9. **Open-top Tanks:** Any open-top tank containing oil and/or toxic fluids shall be covered with netting or equipped to prevent birds, bats, and other wildlife from entering the open-top tank.

10. **Other:** None



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

EXHIBIT D

1 of 7 pages

PERMANENT RESOURCE ROAD REQUIREMENTS

Operator: Dominion Oklahoma Texas Exploration & Production, Inc.

BLM Serial Number: NM-107716

Well Name & NO.: Excalibur 20 Federal Com. #1

Location: Section 20, T. 15 S., R. 29 E.

1190' FNL & 2180' FWL, Chaves County, N.M.

The holder agrees to comply with the following requirements:

1. GENERAL REQUIREMENTS:

- A. The **operator** shall hereafter be identified as the **holder** in these requirements. The Authorized Officer is the person who approves the Permanent Resource Road Requirements.
- B. The holder shall minimize any disturbance to structures on public domain surface. Damages caused to any structure during road construction operations shall be promptly repaired by the holder. Functional use of any structure shall be maintained at all times. The holder shall make a documented good-faith effort to contact the owner prior to disturbing any structure.
- C. When necessary to pass through an existing fence line, the fence shall be braced on both sides of the passageway prior to cutting and the fence shall be promptly repaired to at least it's former state or to a higher standard than it was previously constructed.
- D. A professional engineer shall design the access road if the road grade exceeds 10 percent slope.

2. INGRESS AND EGRESS:

The access road shall be rerouted/constructed to access the well pad on the **Southeast** corner of the well pad to comply with the planned access road route.

3. ROAD TRAVELWAY WIDTH:

The travelway of the road shall be constructed 14 feet wide. The maximum width of surface disturbance shall not exceed 30 feet of road construction. The specified travelway width is 14 feet for all road travelway surfaces unless the Authorized Officer approves a different width.

4. SURFACING:

The entire length of the access road travelway shall be surfaced prior to drilling operations.

The access road travelway shall be surfaced with caliche or gravel material. If other surfacing material is used, the new type of material shall be approved by the Authorized Officer. The travelway of the road shall be surfaced with caliche material. The caliche material shall be compacted to a minimum thickness of 6 inches for the entire length of the travelway surface on the access road. The width of surfacing shall not be less than 14 feet of travelway surface. Prior to using any mineral materials from an existing federal pit, authorization must first be obtained from the Authorized Officer.

5. CROWNING AND DITCHING:

Crowning with materials on site and ditching on one side of the road, on the uphill side, shall be required. The road cross section shall conform to the cross section diagrams in Figure 1 (attached page 6). Where conditions dictate, ditching is required on both sides of the road. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road).

6. DRAINAGE:

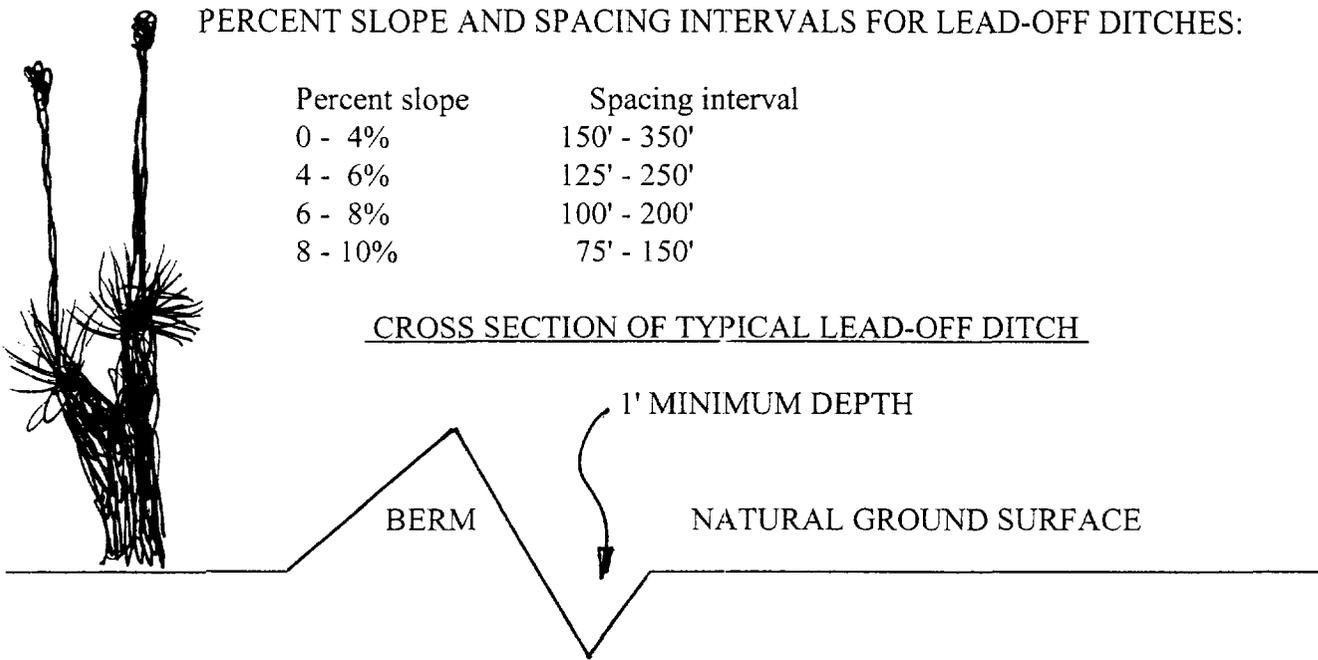
A. Drainage control shall be ensured over the entire road through the construction of ditches, sidehill out sloping and insloping, lead-off ditches, culvert installation, and low water crossings.

B. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

PERCENT SLOPE AND SPACING INTERVALS FOR LEAD-OFF DITCHES:

Percent slope	Spacing interval
0 - 4%	150' - 350'
4 - 6%	125' - 250'
6 - 8%	100' - 200'
8 - 10%	75' - 150'

CROSS SECTION OF TYPICAL LEAD-OFF DITCH



C. 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.

D. On road slopes exceeding 2%, water flow shall drain water into an adjacent lead-off ditch. Water flow drainage location and spacing shall be determined by the following formula:

FORMULA FOR SPACING INTERVAL OF LEAD-OFF DITCHES:

$$\text{spacing interval} = \frac{400'}{\text{road slope in \%}} + 100'$$

Ex. 4% slope: spacing interval = $\frac{400}{4} + 100 = 200$ feet

7. CULVERT INSTALLATION:

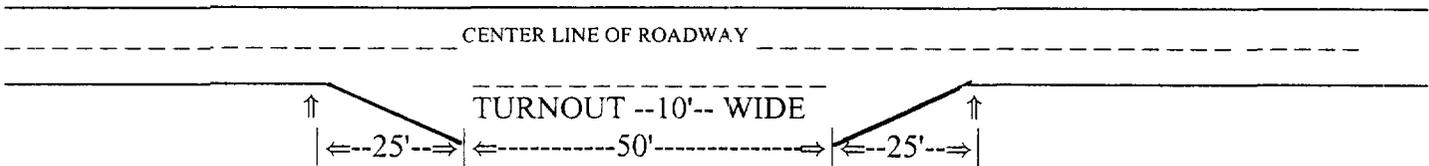
No culverts are required on this road.

Culvert pipes shall be used where ravines, arroyo gullies, and deep waterway channel flows are crossed by the access road construction route. The culvert(s) shall not be less than XX inches in diameter (minimum 18 inch culvert). The location for the culvert installation is designated on the attached map - **EXHIBIT A**. (A culvert pipe installation diagram shall be attached to this requirement when a culvert is required to be installed, see EXHIBIT - X).

8. TURNOUTS:

Vehicle turnouts shall be constructed on all single lane roads (unless the Authorized Officer determines that the turnouts are not required). Turnouts shall be intervisible and shall be constructed on all blind curves with additional turnouts as needed to keep spacing below 1000 feet. Turnouts shall conform to the following diagram:

STANDARD TURNOUT - PLAN VIEW



9. CATTLEGUARDS:

NONE REQUIRED

The existing cattleguard(s) on the access road shall be replaced if they are damaged from heavy vehicular traffic use and the Authorized Officer determines that a new cattleguard shall be installed where the existing in place cattleguard(s) have deteriorated beyond practical use. The holder shall be held responsible for the condition of all existing in place cattleguard(s) that are utilized for vehicular traffic use on lease operations by the holder.

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads, (exceeding H-20 loading,) are anticipated. (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

(A cattleguard installation diagram shall be attached to this stipulation when a cattleguard is required to be installed - see EXHIBIT X - DIAGRAM A & B).

10. MAINTENANCE:

A. The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, cattleguard maintenance, and surfacing.

B. The holder shall cooperate with other authorized users in maintenance of the road(s). Failure of the holder to share maintenance costs in dollars, equipment, materials, and manpower proportionate to the holders use with other authorized users may be adequate grounds to terminate the road use. The determination as to whether maintenance expenditures have been withheld by the holder and the decision to terminate the road use shall be at the discretion of the Authorized Officer. Upon request, the Authorized Officer shall be provided with copies of any maintenance agreements entered into by the holder.

11. PUBLIC ACCESS:

A. Public access on this road shall not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands shall not be locked or closed to public use unless closure is absolutely necessary and is authorized in writing by the Authorized Officer.

12. ROAD REHABILITATION REQUIREMENTS:

A. **The access road shall be ripped a minimum of 16 inches deep.** The surface material on the road may be removed and re-used in other approved area(s). Surfacing material left in place shall be plowed under with soil turning equipment and the plowed surface shall be disked before seeding. All culverts and other road structures shall be removed. All over-burden material shall be replaced in the cut areas, ditches, lead-off ditches, and any other excavated earthwork shall be back filled. The road shall be recontoured to as near it's original topography, as possible. An earthen berm shall be constructed at the entrance of the road to prevent vehicular traffic on the reclaimed road.

B. The reclaimed road shall be seeded with the following **DPC seed mixture** (the Roswell Field Office has determined the Desired Plant Community seed mixture for the reclaimed area(s)):

SEE EXHIBIT B - WELL DRILLING REQUIREMENTS - VI. SEEDING REQUIREMENTS - FOR THE DESIRED PLANT COMMUNITY SEED MIXTURE THAT SHALL BE USED ON THE RECLAIMED ACCESS ROAD.

C. The seed and any fertilizer involved shall be broadcast over the road bed with a spreader, than harrowed to cover the seed. Use of a seed drill planter to plant is acceptable. Appropriate measures shall be taken to ensure that the seed/fertilizer mixture is evenly and uniformly applied. There shall be no primary or secondary noxious weeds in the seed mixture. In accordance with State law(s) the seed should be tested for purity and viability within nine (9) months prior to sell. Commercial seed shall be either certified or registered and the seed mixture container shall be tagged in accordance with State law(s). The seed mixture tag shall be made available to the Authorized Officer for inspection. The seeding shall be repeated until a satisfactory vegetation thicket is established and this determination shall be made by the Authorized Officer. Evaluation of plant growth will not be made before the first growing season.

D. Seeding shall be done between June 15th through September 15th. However, the holder can seed the road immediately after preparing the road bed.

E. The Authorized Officer reserves the right to require reseeding at a specific time if seed does not germinate after one (1) growing season. Waiver of this requirement would be considered if diligent attempts to revegetate the road has repeatedly failed and the Authorized Officer determines that further attempts to revegetate the road would be futile.

F. Contact Richard G. Hill at (505) 627-0247 to witness the seeding operations two (2) days before the start of the seeding process.

13. SPECIAL REQUIREMENTS: NONE

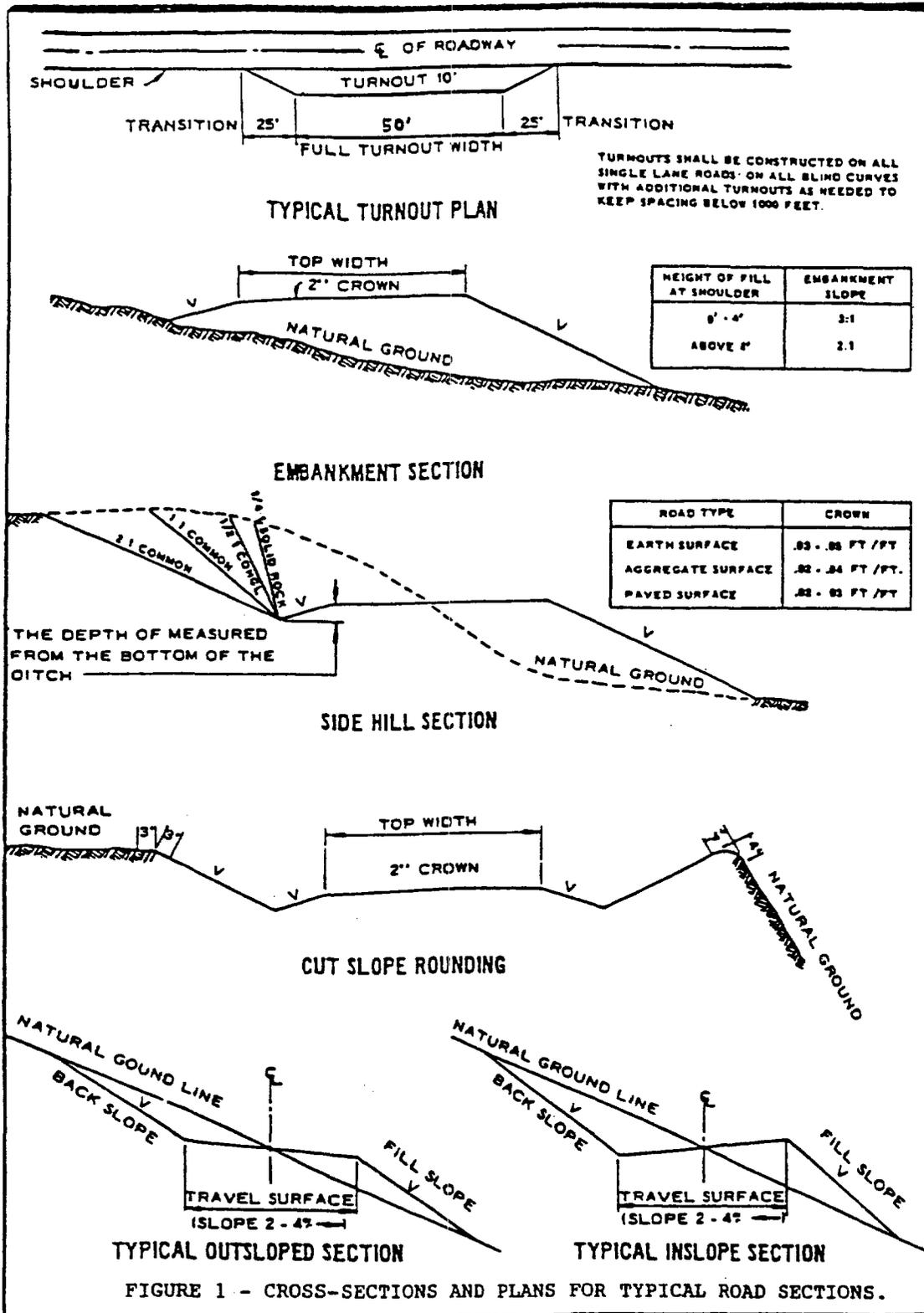


EXHIBIT A

Operator: Dominion Oklahoma Texas Exploration & Production, Inc.

BLM Serial Number: NM-107716

Well Name & NO.: Excalibur 20 Federal Com. #1

Location: Section 20, T. 15 S., R. 29 E.

1190' FNL & 2180' FWL, Chaves County, N.M.

