Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD Artesia

FORM APPROVED OMB: No. 1004-0137 Expires: October 31, 2014

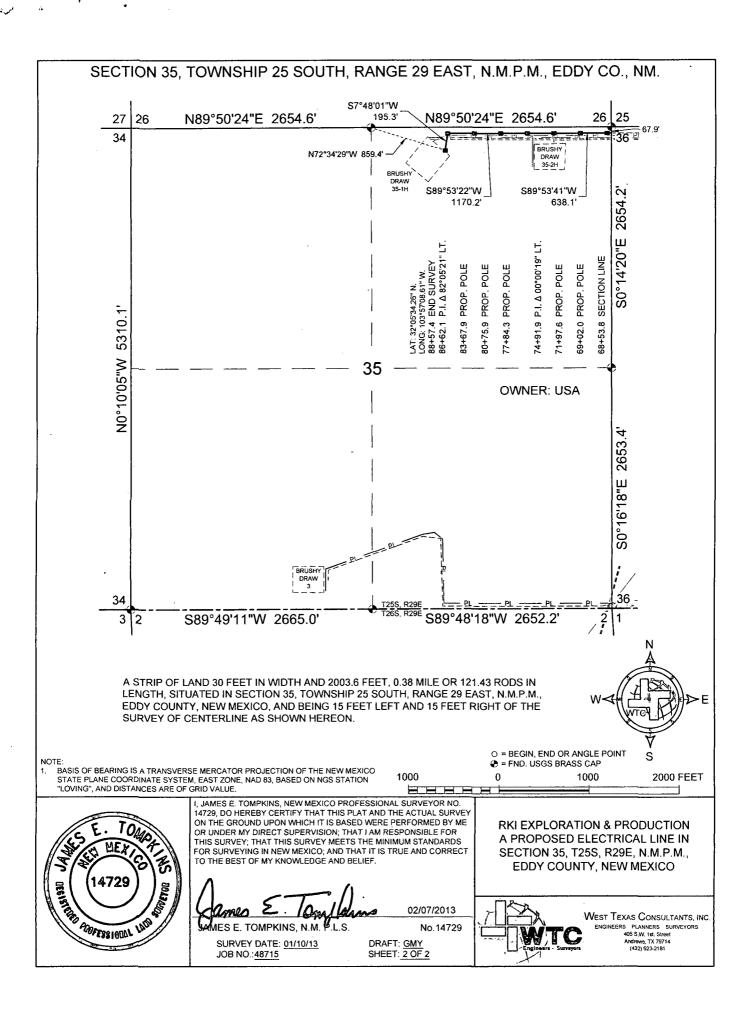
5. Lease Serial No. NM-054290

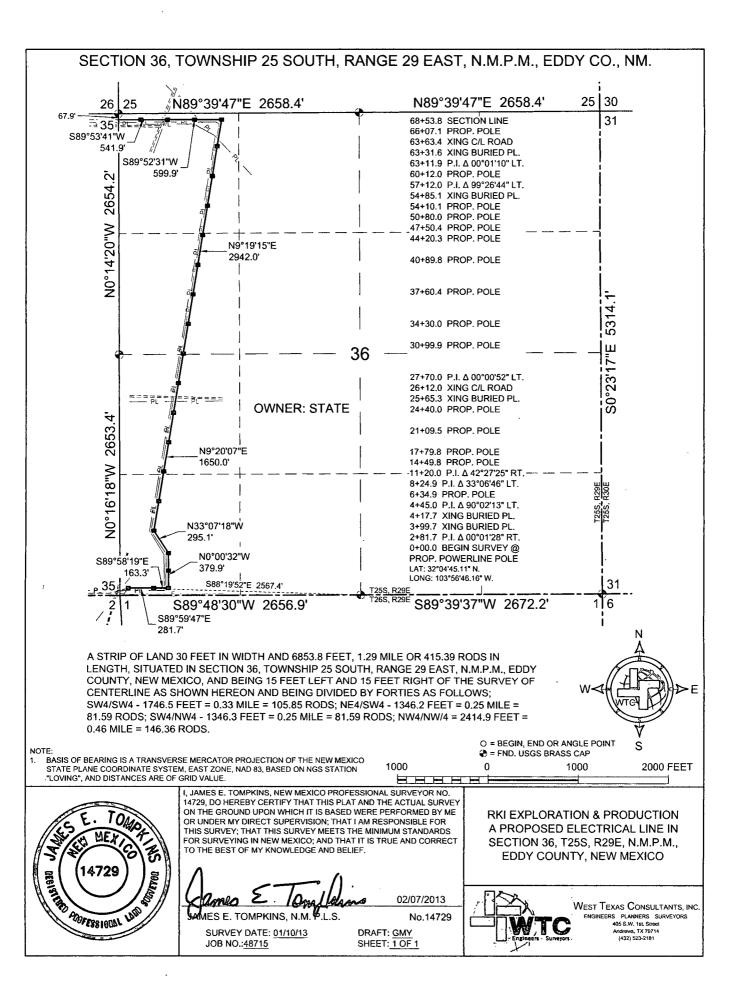
SUNDRY NOTICES AND REPORTS ON WELLS . Do not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (APD) for such proposals.						
SUBMIT IN TRIPLICATE - Other instructions on page 2.					7. If Unit of CA/Agreement, Name and/or No.	
1. Type of Well						
Oil Well Gas Well Other					8. Well Name and No. NORTH BRUSHY DRAW FEDERAL 35-1H	
2. Name of Operator RKI EXPLORATION & PRODUCTION, LLC.					9. API Well No. 30-015-39753	
210 PARK AVENUE, SUITE 900			o. (include area code)		10. Field and Pool or Exploratory Area	
			3-5767 CODY REID		CORRAL CANYON BONE SPRING, SOUTH	
4. Location of Well (Footage, Sec., T., SHL: 330 FNL & 1980 FEL, SECTION 35, T. 25 BHL: 330 FSL & 1650 FEL, SECTION 35, T. 25)		i	11. County or Parish, State EDDY		
12. CHEC	CK THE APPROPRIATE BO	X(ES) TO IND	ICATE NATUR	E OF NOTIC	E, REPORT OR OTHE	ER DA'TA
TYPE OF SUBMISSION	ТҮРЕС			TE OF ACTION	CTION	
✓ Notice of Intent	Acidize		Deepen T		roduction (Start/Resume) water Shut-Off celamation Well Integrity complete Other ELECTRIC LINE	
	=	Alter Casing Fracture Treat		=		
Subsequent Report	Casing Repair	=			V Other CEEOTHOLINE	
Final Abandonment Notice	Change Plans Convert to Injection		Plug and Abandon Plug Back		emporarily Abandon Vater Disposal	
testing has been completed. Final determined that the site is ready for the EXPLORATION & PRODUCTION PROVIDE POWER FOR THE NOR THE LINE WILL FOLLOW THE SAIDE 8 (40') POLES FOR A TOTAL CORKI IS A PERMIAN BASIN MOA PATHE ELECTRIC LINE WILL FOLLOW CONSTRUCTION WILL BEGIN UPBEEN SUBMITTED FOR THE MAIL	r final inspection.) ON, LLC. PROPOSES TO THE BRUSHY DRAW FED ME ROUTE AS THE BUR OF 1.38 ACRES. ARTICIPANT AND PREVIOW. ON APPROVAL OF THIS N TRUNK LINE THROUGH	CONSTRUCT ERAL 35-1H W IED GAS PIPE OUSLY PAID F APPLICATION H SECTION 36	2003.6 FT. OF VELL. LINE, SURFACE FOR THE SAM N. AN APPLICA S.	E A 12.5 KV, CE SWD LINI E ROUTE FO ATION WITH RECE APR 25	3-PHASE, 4-WIRE, 6 E AND ACCESS RO DR THE BURIED GA THE NEW MEXICO	OVERHEAD ELECTRIC LINE TO AD TO THE EAST. THERE WILL AS & SURFACE SWD LINE THAT
14. I hereby certify that the foregoing is t	rue and correct. Name (Printe	ed/Typed)	. 555141			
BARRY W. HUNT			Title PERMIT AGENT FOR RKI EXPLORATION & PRODUCTION, LLC.			
Signature Lay L	1. Hat		Date	2/11/1	3	, *
	THÍS SPACE	FOR FEDE	RAL OR ST	ATE OFF	ICE USE	
Approved by	James A. Ames		F Title	ELD MANA		APR 1 8 2013
Conditions of approval, if any, are attache that the applicant holds legal or equitable entitle the applicant to conduct operations	itle to those rights in the subje			SBAD FIEL	D OFFICE	·
Title 18 U.S.C. Section 1001 and Title 43	ILS C Section 1212 make it	a crime for any ne	rson knowingly	and willfully to	make to any denartment	t or agency of the United States any false

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.





BLM LEASE NUMBER: NMNM054290

COMPANY NAME: RKI

ASSOCIATED WELL NAME: North Brushy Draw Federal 35 1H, 2H, and 3H

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the approved application 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 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. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
- 5. Power lines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Power lines," Raptor Research Foundation, Inc., 1981. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "raptor safe." Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without

liability or expense to the United States.

- 6. 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 the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.
- 8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.
- 9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.
- 10. 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 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 proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes with native soil from the removed poles.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required.