

OCD-ARTESIA

SEP 26 2008

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NM 010567 NM 96196 CR 8/14/08	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name	
2 Name of Operator Fasken Oil and Ranch, Ltd.		7 If Unit or CA Agreement, Name and No	
3a Address 303 W. Wall, Suite 1800, Midland, Texas 79701		8 Lease Name and Well No. 35764 Pegasus "10" Federal No. 2	
3b. Phone No. (include area code) 432-687-1777		9 API Well No. 30-015-36982	
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 690' FNL, 900' FEL At proposed prod zone		10 Field and Pool, or Exploratory Cemetery (Morrow)	
11 Sec, T R M or Blk and Survey or Area Sec. 10, T21S, R24E		12 County or Parish Eddy	
13 State NM		14 Distance in miles and direction from nearest town or post office* 12 miles Southwest of Lakewood.	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 690'		16 No of acres in lease 320	
17 Spacing Unit dedicated to this well 320 acres, N/2 Sec. 10		18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 3220'	
19 Proposed Depth 10,500' 10200		20 BLM/BIA Bond No. on file NM 2729 Statewide Bond	
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3959' GL		22 Approximate date work will start* September 1, 2008	
23 Estimated duration 45 days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form

- | | |
|--|---|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the BLM. |

25 Signature Kim Tyson	Name (Printed/Typed) Kim Tyson	Date 7-31-08
Title Regulatory Analyst		
Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date SEP 24 2008
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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, are attached.**APPROVAL FOR TWO YEARS**

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or

*(Instructions on page 1)
Pits must be registered, operated,
maintained and closed per 19.15.17
C. [NMAC]SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36982	Pool Code 74640	Pool Name Cemetery (Morrow)
Property Code 35764	Property Name PEGASUS "10" FEDERAL	Well Number 2
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3959'

Surface Location

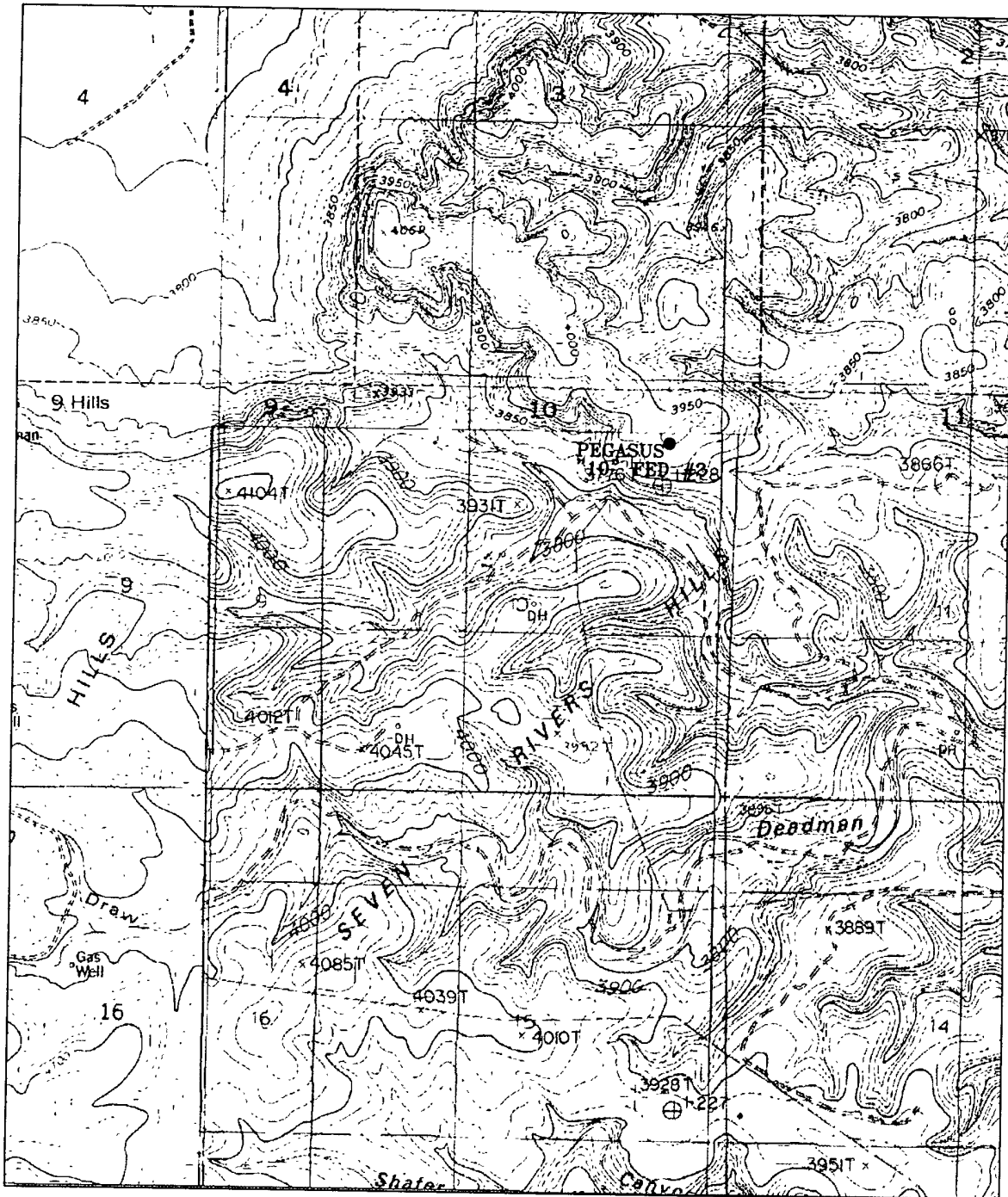
UL or lot No. A	Section 10	Township 21 S	Range 24 E	Lot Idn	Feet from the 690	North/South line NORTH	Feet from the 900	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <u>Kim Tyson</u> 7-31-08 Signature Date Kim Tyson Printed Name kimt@for1.com
	SURVEYOR CERTIFICATION 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. JUNE 21, 2008 Date Surveyed Signature of Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS



PEGASUS "10" FEDERAL #2
 Located 690' FNL and 900' FEL
 Section 10, Township 21 South, Range 24 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit #1

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

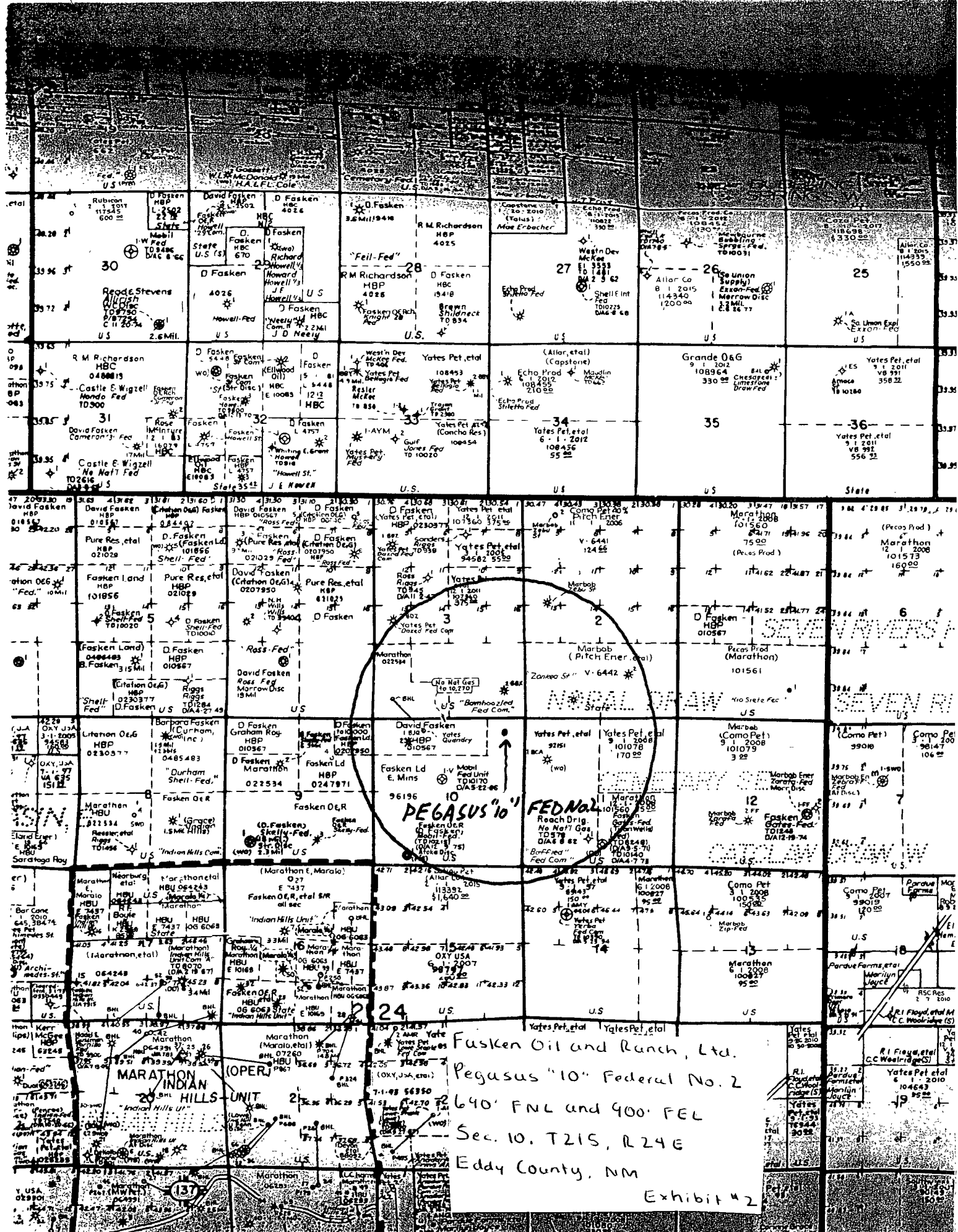
W O Number: KJG 19878T.DWG

Survey Date: 06-21-2008

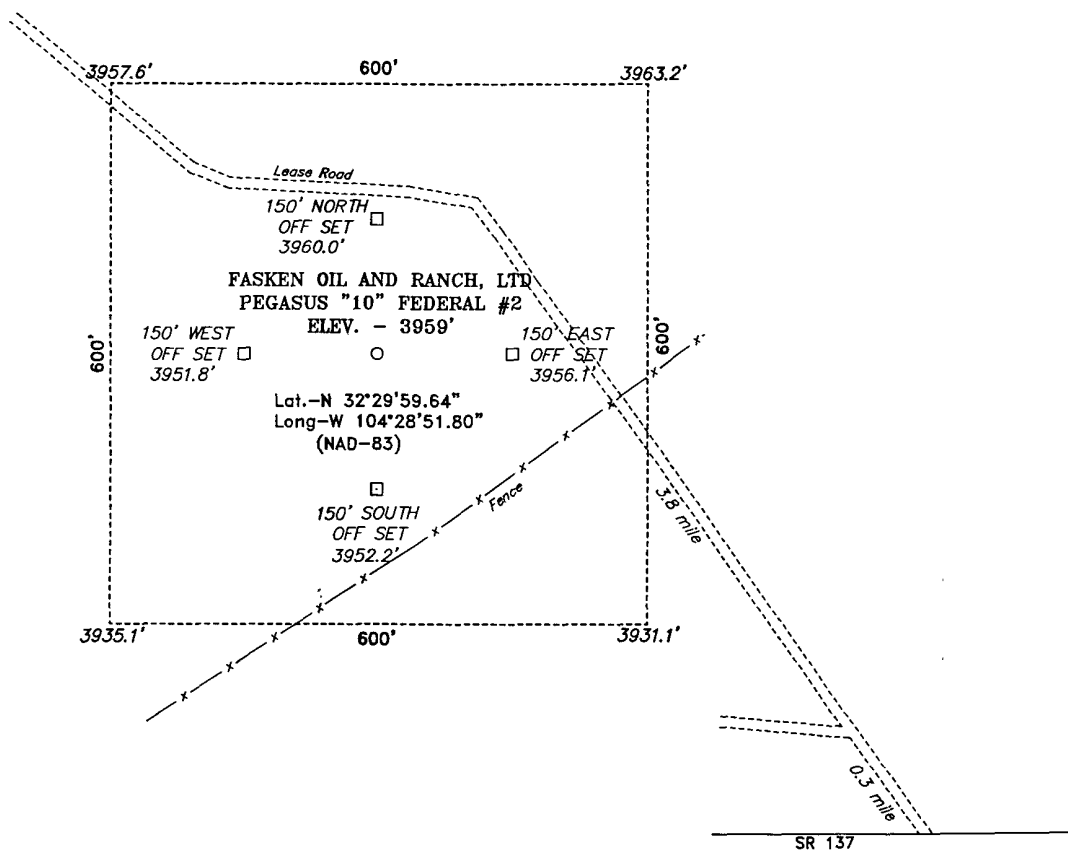
Scale: 1" = 2000'

Date: 06-23-2008

**FASKEN OIL
 AND RANCH,
 LTD**

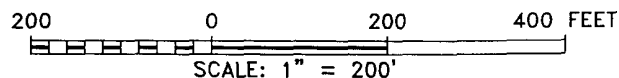


SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF STATE HWY 137 AND US
HWY 285, GO WEST FOR 3.0 MILES TO MILE MARKER
52; THENCE WEST FOR 0.2 MILE TO LEASE ROAD;
THENCE NORTHWEST FOR 0.3 MILE TO A "Y";
THENCE RIGHT AT "Y" FOR 3.8 MILE TO LOCATION.



FASKEN OIL AND RANCH, LTD

REF: PEGASUS "10" FEDERAL #2 / WELL PAD TOPO

THE PEGASUS "10" FEDERAL #2 LOCATED 690' FROM
THE NORTH LINE AND 900' FROM THE EAST LINE OF
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 19878

Drawn By: K. GOAD

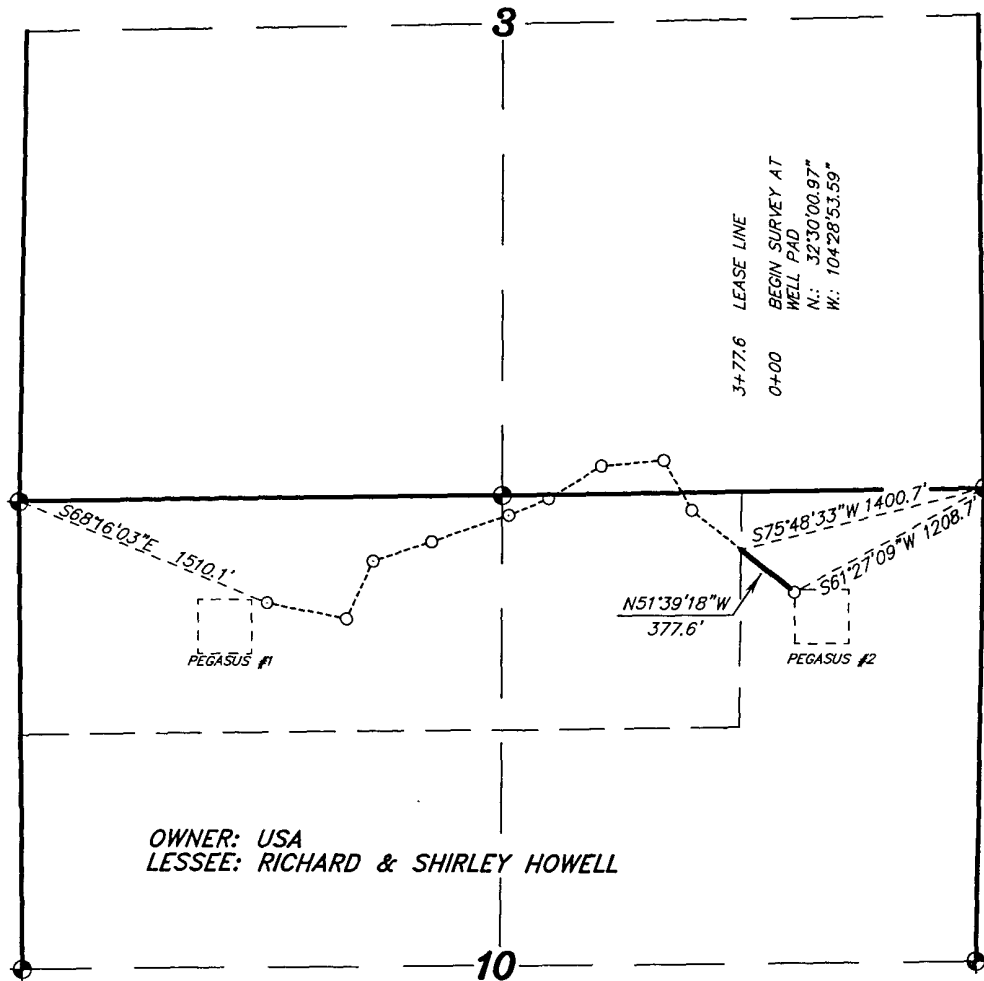
Date: 06-23-2008

Disk: KJG 19878W.DWG

Survey Date: 06-21-2008

Sheet 1 of 1 Sheets

SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



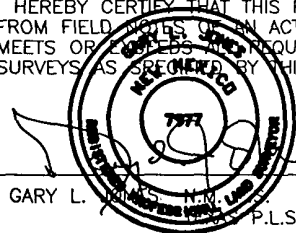
OWNER: USA
LESSEE: RICHARD & SHIRLEY HOWELL

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 10 = 377.6 FEET = 22.88 RODS = 0.07 MILES = 0.26 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS THE REQUIREMENTS FOR LAND SURVEYS AS PRESCRIBED BY THIS STATE.



GARY L. JAMES, N.M. LAND SURVEYOR, P.L.S. No. 7977
No. 5074

1000 0 1000 2000 FEET

FASKEN OIL AND RANCH, Ltd.

REF: PROPOSED PIPELINE TO THE PEGASUS "10" #1

A PIPELINE CROSSING USA LAND IN
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

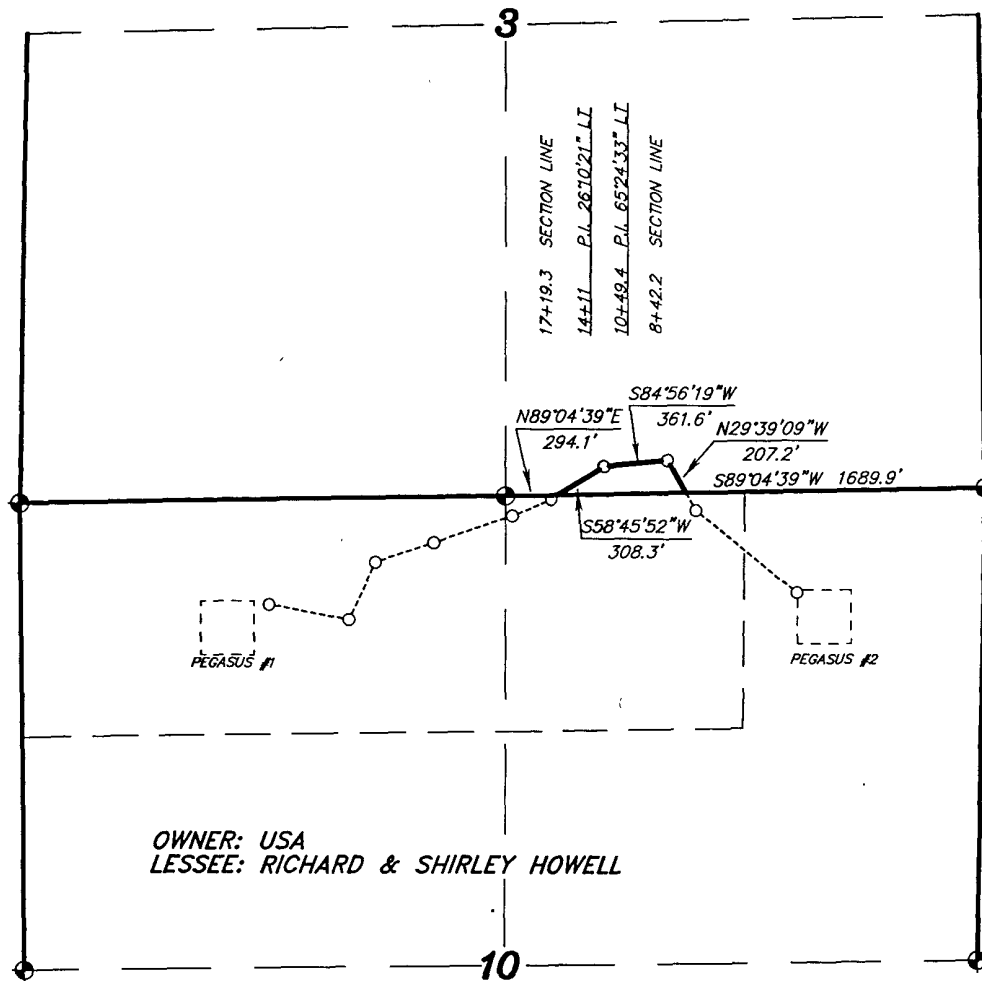
W.O. Number: 19878 Drawn By: J. SMALL

Date: 07-17-2008 Disk: JMS 19878

Survey Date: VARIES

Sheet 1 of 3 Sheets

SECTION 3, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



OWNER: USA
LESSEE: RICHARD & SHIRLEY HOWELL

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 3, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 3 = 877.1 FEET = 53.16 RODS = 0.17 MILES = 0.60 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JOHNSON, P.L.S. No. 7977
No. 5074

1000 0 1000 2000 FEET

FASKEN OIL AND RANCH, Ltd.

REF: PROPOSED PIPELINE TO THE PEGASUS "10" #1

A PIPELINE CROSSING USA LAND IN
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 24 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

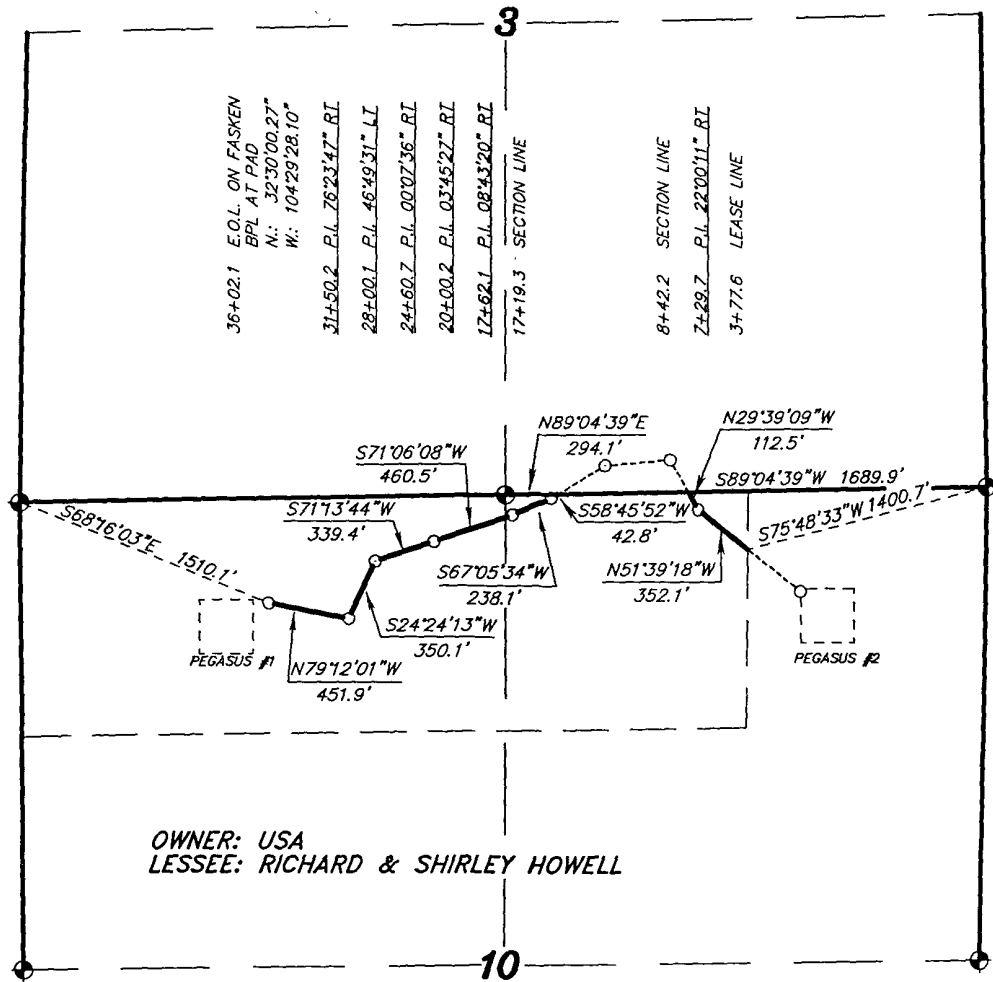
W.O. Number: 19878 Drawn By: J. SMALL

Date: 07-17-2008 Disk: JMS 19878

Survey Date: VARIES

Sheet 3 of 3 Sheets

SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 10 = 2347.4 FEET = 142.27 RODS = 0.44 MILES = 1.62 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED IN THIS STATE.

GARY L. JOY, N.M.P.M. L.S. No. 7977
No. 5074

1000 0 1000 2000 FEET

FASKEN OIL AND RANCH, Ltd.

REF: PROPOSED PIPELINE TO THE PEGASUS "10" #1

A PIPELINE CROSSING USA LAND IN
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 24 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

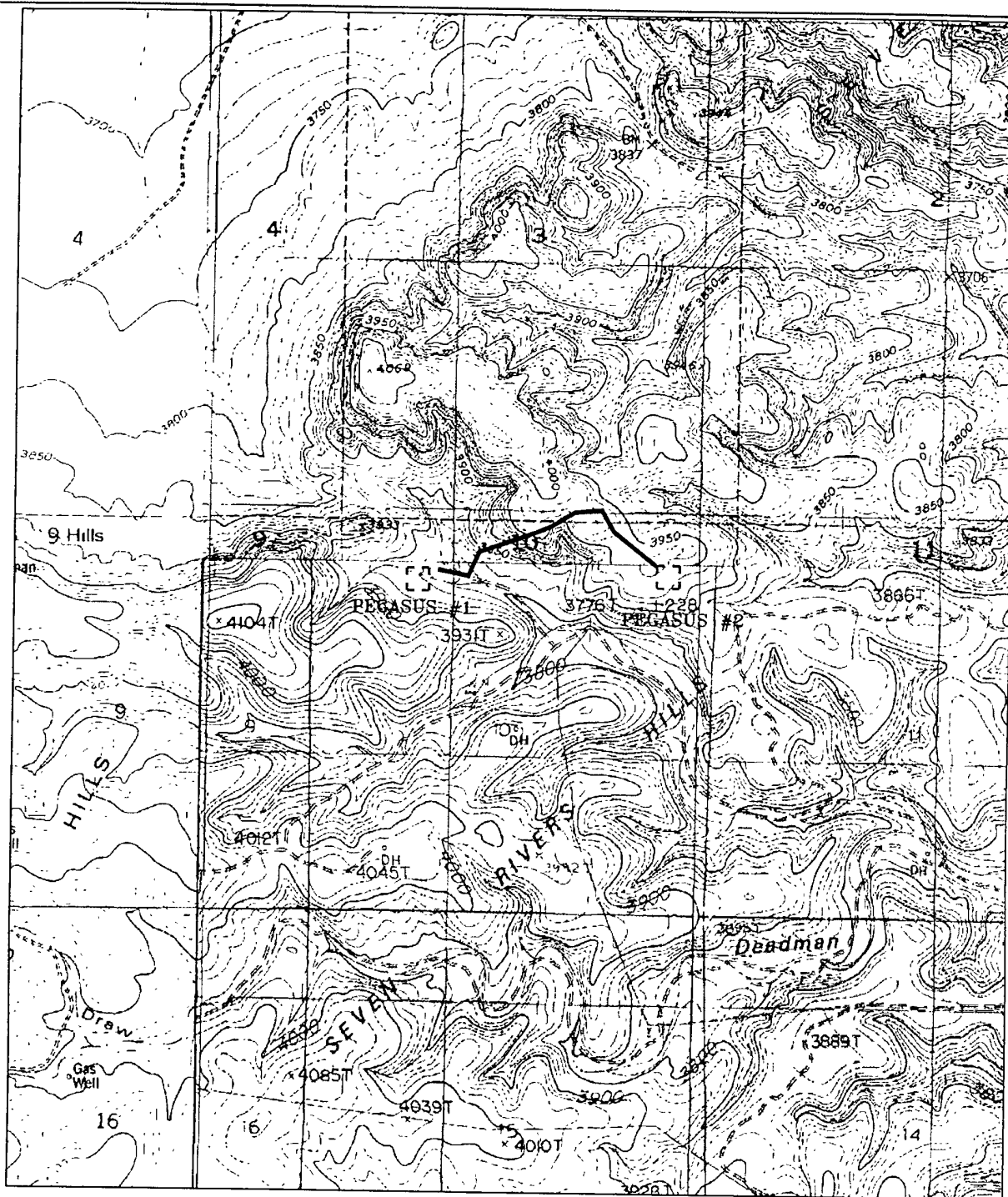
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 19878 Drawn By: J. SMALL

Date: 07-17-2008 Disk: JMS 19878

Survey Date: VARIES

Sheet 2 of 3 Sheets



PROPOSED PIPELINE TO THE PEGASUS "10" #1
 Section 10, Township 21 South, Range 24 East,
 N.M.P.M., Eddy 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: JMS 19878

Survey Date: VARIES

Scale: 1" = 2000'

Date: 07-17-2008

FASKEN OIL
AND RANCH,
LTD

APPLICATION FOR PERMIT TO DRILL
FASKEN OIL AND RANCH, LTD.
PEGASUS "10" FEDERAL NO. 2
690' FNL AND 900' FEL
SEC. 10, T21S, R24E
EDDY COUNTY, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Fasken Oil and Ranch, Ltd. submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian age. Ground elevation is 3959'.

2. Estimate tops of geologic markers are as follows:

San Andres	1450'
Glorietta	2700'
1 st Bone Springs Sand	4300'
3 rd Bone Spring Sand	6700'
Wolfcamp	7150'
Cisco	8100'
Canyon	8400'
Strawn	8800'
Atoka	9400'
Morrow	9900'

3. The estimated depths at which water, oil or gas formation are expected to be encountered:

Cisco	8100'	Oil/Gas
Strawn	8800'	Gas
Atoka	9400'	Gas
Morrow	9900'	Gas

* Groundwater to be protected by 13-3/8" surface casing with cement circulated to the surface.

** Potentially productive horizons to be protected by 4-1/2" production casing with cement circulated to surface

4. Proposed Casing Program: All casing strings will new pipe. Minimum design safety factors are 1.0 for burst, 1.125 for collapse and 1.8 for tension on 8rd threaded pipe.

String	Footage	Size	Weight	Grade	Thread	Hole Size
Surface	400'	13-3/8"	48.00#	H-40	ST&C	17-1/2"
Intermediate	3,000'	9-5/8"	36.00#	J-55	ST&C	12-1/4"
Production	10,200'	4-1/2"	11.60#	N-80	LT&C	8-3/4"
Tubing	10,000'	2-3/8"	4.70#	N-80	EUE 8rd	

5. Proposed Cementing Program:

← See COA

Cement 13-3/8" casing with 400 sx Class "C" cement with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 cuft/sx) Circulate cement to surface.

Cement 9-5/8" casing with 700 sx Class "C" with 4% gel and 2% CaCl₂ (s.w. 13.51 ppg, yield 1.74 ft³/sx) plus 200 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.34 ft³/sx). Circulate cement to surface.

Cement 4-1/2" production casing (resin coated and centralized through pay zones) and cement with DV tool at estimate 6000' as follows;

- First Stage: Note, batch mix lead slurry. 10 bfw, 500 gallons Mud Clean II, 10 bfw and 1500 sx Class "H" 50/50 Poz with 2% gel, 0.5% FL-52A, 0.5% FL-25, 0.3% CD-32, 0.35% SMS, 5% salt, and 1# LCM-1 (s.w. 14.2 ppg, yield 1.30 ft³/sx). Open DV tool and circulate 6 hours
- Second stage: 20 bfw, 900 sx Class "C" 50/50 Poz with 10% gel, 0.7% FL-52, 3% salt, and 5# LCM-1 (s.w. 11.8 ppg, yield 2.39 ft³/sx) plus 100 sx Class "H" neat (s.w. 15.6 ppg, yield 1.18 ft³/sx). Circulate cement to surface.

6. Pressure Control Equipment: See Exhibit #5 with 3000# BOP Operator request variance and proposes to pressure test BOP stack with rig pump to 1500 psig prior to drilling out the 9-5/8" casing shoe. BOP hydrotest will be conducted on first bit trip or prior to drilling the Wolfcamp formation Hydrotest will included testing the rams, choke line, choke manifold, upper and lower kelly valves and floor safety valves to 3000 psig high and 250 psig low. The annular preventor will be hydrotested to 1500 psig high and 250 psig low. Additional BOP Hydrotesting will be performed after any pressure seal is broken, following any BOP repair and at 30 day intervals.

See COA →

7. Mud Program:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Waterloss</u>
0-400'	Fresh Water	8.5	40	N.C.
400'-3000'	Fresh Water	8.5	28	N.C.
3000'-6000'	Fresh Water	8.5	28	N.C.
6000'-8500'	Cut Brine	9.0	29	N.C.
8500'-10200'	Gel/Starch/PAC	9.0-9.5	36	10 cc

8. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve, PVT.

9. Testing Logging and Coring Programs:

- DST's: DST any mudlog shows. DST's will comply with the "Drill Stem Testing Requirements" of Onshore Oil and Gas Order No. 2.

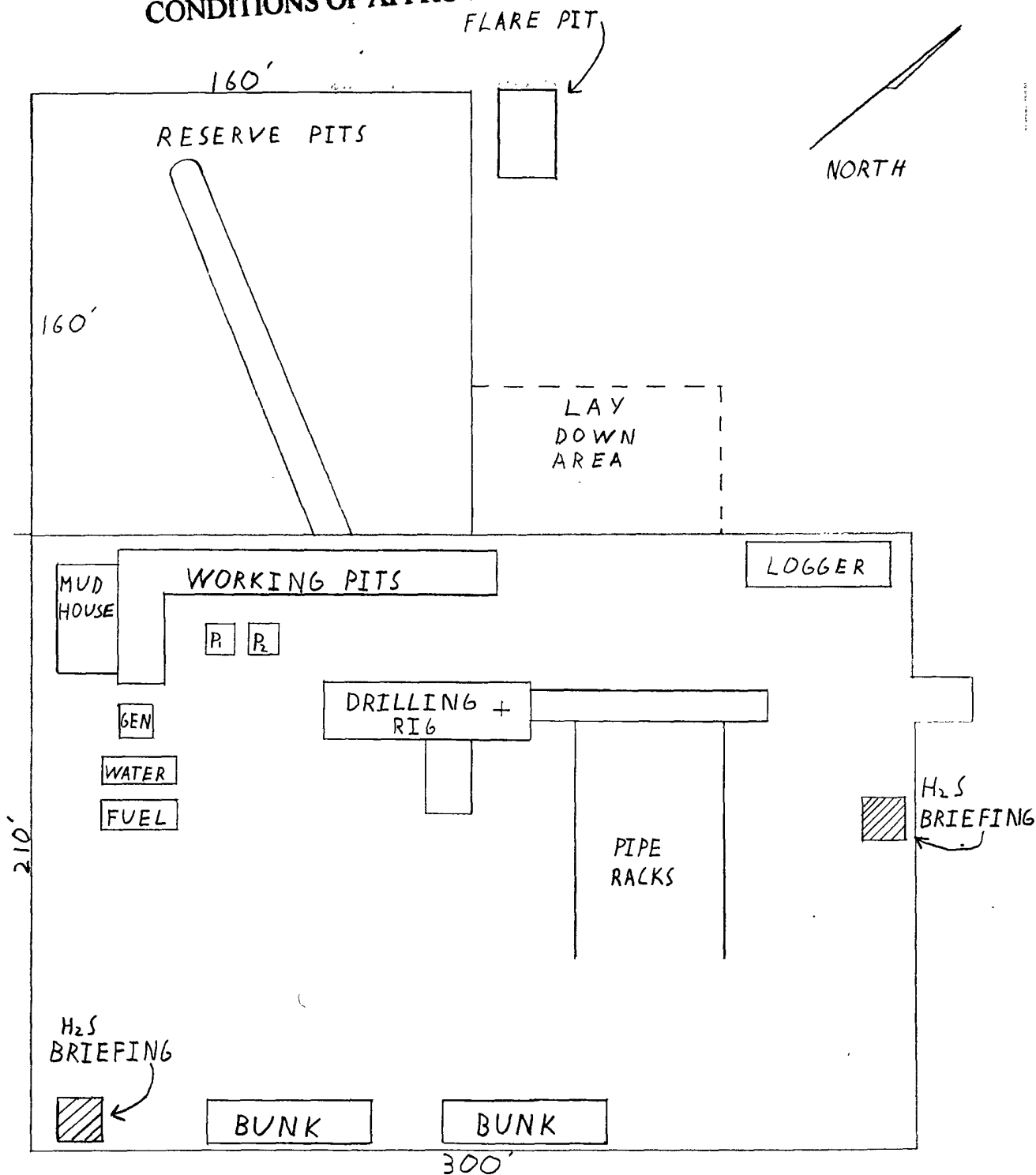
- Logging: 2-man Mudlogging unit from 5000' to T.D.

- Electric Logs: Platform Express with CNL-LDT, DLL-MSFL, GR and Caliper

- Coring: None anticipated /

10. Abnormal Pressure, Temperatures or Other Hazards: Lost circulation is anticipated in the surface. Maximum bottomhole pressure is estimated to be 4774 psig.
11. Anticipated Starting Date: September 1, 2008.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

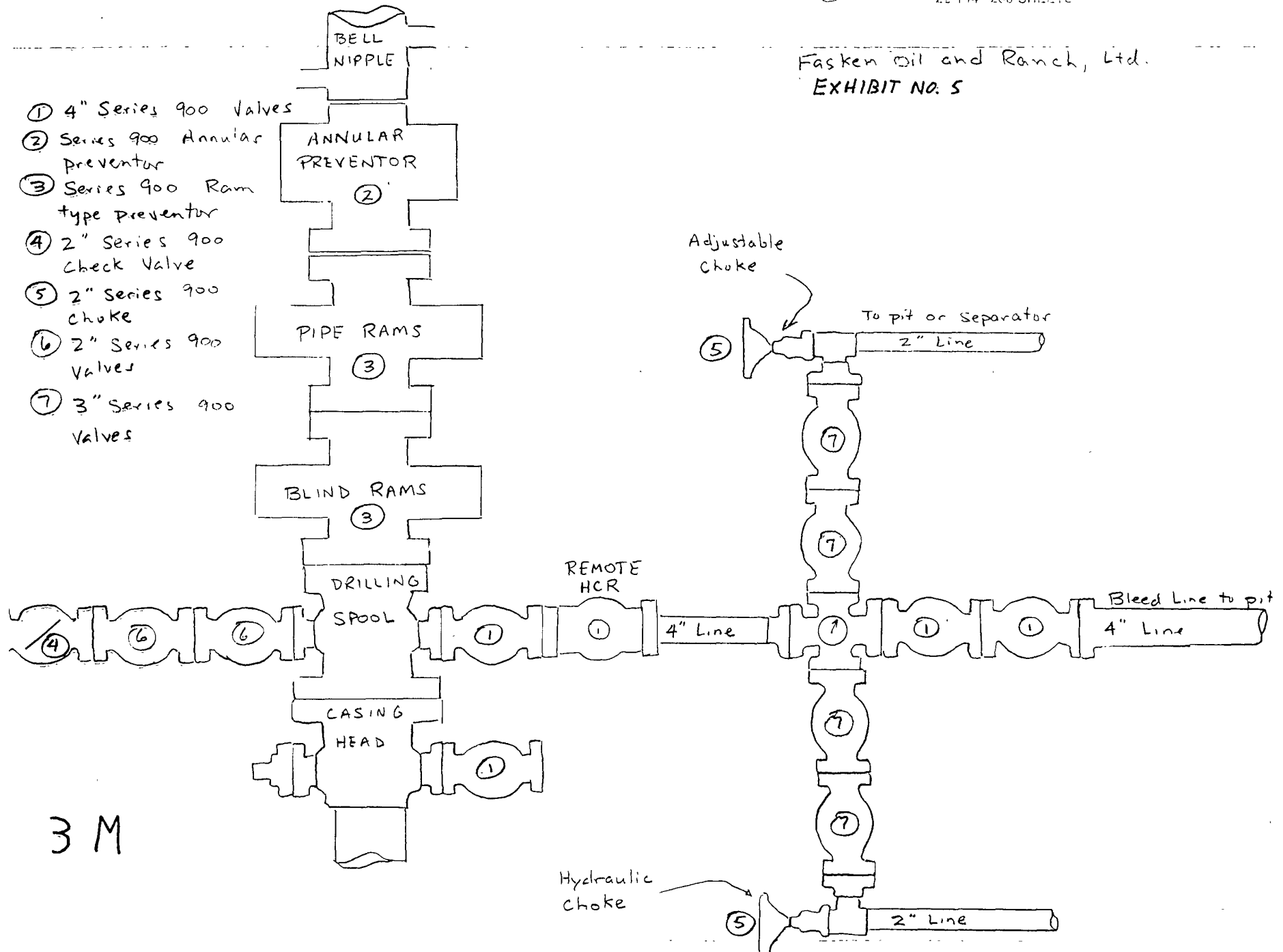


FASKEN OIL AND RANCH, LTD.
SCALE: 1" = 50'
EXHIBIT # 4

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

Fasken Oil and Ranch, Ltd.
EXHIBIT NO. 5



3 M

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

EXHIBIT #3
FASKEN OIL AND RANCH, LTD.
PEGASUS "10" FEDERAL NO. 2
690' FNL AND 900' FEL
SEC.10, T21S, R24E
EDDY COUNTY, NM

I. Hydrogen sulfide Training.

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques of first aid and rescue procedures.

In addition the supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S Safety Equipment and Systems

NOTE: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetration the first zone containing or reasonable expected to contain H₂S.

1. Well Control Equipment:
 - A. Flare line.
 - B. Choke manifold.

- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator (if necessary) and rotating head.
- 2. Protective equipment for essential personnel.
 - A. 5-minute escape units located in the dog house and 30-minute air units at briefing areas, as indicated on well site diagram.
- 3. H2S detection and monitoring equipment:
 - A. 3 - portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.
 - B. 1 - portable SO2 monitor positioned near flare line during H2S flaring operations.
- 4. Visual warning systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be a readable distance from the immediate location.
- 5. Mud program:
 - A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices and the use of H2S scavengers when necessary will minimize hazards when penetrating H2S bearing zones.
 - B. A Mud-gas separator will be utilized.
- 6. Metallurgy:
 - A. All drill strings, casings, tubing, wellhead, blowout preventors, drilling spools kill lines, choke manifold and lines valves shall be suitable for H2S service.
 - B. All elastomers used for packing and seals shall be H2S trimmed.
- 7. Communications:
 - A. Radio communications will be available in company vehicles and rig dog house.
- 8. Well testing:
 - A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H2S will be conducted during daylight hours.

Fasken Oil and Ranch, Ltd.

H2S Contingency Plan

Emergency Phone Numbers

Pegasus "10" Federal No. 2

Fasken Oil and Ranch, Ltd.

432 687-1777

Key Personnel

Tommy Taylor, Drilling Manager	432 556-2228
Jimmy Davis, Operations Manager	432 557-5668
Deryl Briles, Drilling Foreman	432 556-4269
Mark Jacobs, Drilling Foreman	432 634-6318
Jordan Evans, Drilling Engineer	432 557-6941

Hobbs, Lea County, New Mexico

Ambulance	911
State Police	911 or 575 392-5580
Sheriff's Office	911 or 575 396-3611
Fire Department	911 or 575 397-9308
Local Emergency Planning Committee	575 393-2870
New Mexico Oil Conservation Division	575 393-6161

Carlsbad, Eddy County, New Mexico

Ambulance	911
State Police	911 or 575 885-3138
Sheriff's Department	911 or 575 887-7551
Fire Department	911 or 575 885-3125
Local Emergency Planning Committee	575 887-7553
Bureau of Land Management	575 887-6544
New Mexico Oil Conservation Division (Artesia)	575 748-1283

Statewide and National Emergency Numbers

New Mexico Department of Homeland Security And Emergency Management	505 476-9600
New Mexico State Emergency Operations Center (24 Hour Number)	505 476-9635
National Emergency Response Center	800 424-8802

Other Numbers for Emergency Response

Boots & Coots IWC	800 256-9688 or 281 931-8884
Cudd Pressure Control	432 563-3356
MCH Care Star Flight Service (air ambulance)	432 640-4000
Aerocare (air ambulance)	806 725-1111

SURFACE USE PLAN
Fasken Oil and Ranch, Ltd.
Pegasus "10" Federal No. 2
690' FNL & 900' FEL
Sec. 10, T21S, R24E
Eddy County, New Mexico

1. EXISTING ROADS - Area map, Exhibit #1, is a reproduction of the U.S.G.S., Foster Ranch N.M. Quadrangle. Existing and proposed roads are shown on the exhibit. All roads shall be maintained in a condition equal to that which existed prior to start of construction.
 - A. Exhibit #1 shows the proposed development well site as staked.
 - B. From the junction of State Hwy 137 and US Hwy 285, go west for 3.2 miles to lease road, then go Northwest for 0.3 miles to "Y" in road, turn right and continue for 3.8 miles to Pegasus "10" Federal No. 2 location.
2. PLANNED ACCESS ROADS AND PIPELINE – No new access road will be constructed. If the well is successful, we will bury 3,602.1' of a 4", 1000# working pressure pipeline to connect to an existing battery at the Pegasus "10" Federal No.1 location. A separate right of way application is being submitted for this pipeline
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS.
 - A. Water wells – None Known.
 - B. Disposal wells - None Known.
 - C. Drilling wells - None known.
 - D. Producing wells - As shown on Exhibit #2

Marbob:	Zebu State No 1
Yates Petroleum Corp.:	Zonked State No. 1
Yates Petroleum Corp.:	Zonked State No. 2
Yates Petroleum Corp.:	Bamboozled Federal No.2
Fasken Oil and Ranch, Ltd.	Mobil "10" Federal No. 1
Fasken Oil and Ranch. Ltd.	Pegasus 10 No. 1
Yates Petroleum Corp.:	Quandry Federal No.1
Yates Petroleum Corp.:	Dazed Federal No.2
Yates Petroleum Corp.:	BCA Federal No.1
 - E. Abandoned wells - As shown on Exhibit #2.

Marathon:	Gates Federal No. 1
Mobil	Federal Unit No. 1-V
4. If, upon completion, the well is a producer Fasken Oil and Ranch, Ltd. will furnish maps or plats showing "On Well Pad Facilities" and "Off Well Pad Facilities" (if needed) on a Sundry Notice before construction of these facilities starts.
5. LOCATION AND TYPE OF WATER SUPPLY

6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill sites excavations or from a local source. These materials will be transported over the access roads as shown on Exhibit #1.

7. METHOD FOR HANDLING WASTE DISPOSAL

- A.
 - 1. Drill cuttings will be disposed of in the reserve pit
 - 2. Trash, waste paper, and garbage will be contained in a trash trailer and disposed of in an approved public landfill.
 - 3. All mud materials including salts will be picked up by the mud supplier and transported back to their warehouse facilities.
 - 4. Sewage from trailer houses will drain into hole with a minimum depth of 10'. A "Porta John" will be provided for the rig crews. This will be properly maintained and removed after drilling operations are completed.
 - 5. Chemicals remaining after completion of the well will be stored in the manufacturer containers and picked up by the supplier
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time, they will be transported by tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during the testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit #3 is the H₂S Drilling Operations Plan.
- B. Exhibit #4 (Scale 1" = 50') shows the proposed well site layout.
- C. This exhibit indicates the proposed location of reserve pit, trash trailer and living facilities.
- D. Mud pits in the active circulation system will be steel pits.
- E. The reserve pit will be lined with a polyethylene liner. The pit liner will be a minimum of 2' over the reserve pit walls where the liner will be anchored down.
- F. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion operations. The fourth side will be fenced after drilling has been completed. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location pad and surface facilities. After the area has been shaped and contoured, top soil from the spoil pile (if any) will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recontoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. OTHER INFORMATION

- A. The topography is of hilly terrain with vegetation of sagebrush and native grasses. The soils are silty and very shallow.
- B. The surface is used for livestock grazing. The surface is owned by the United States and is leased by Bill Travelstead, 425 N. Canal, Carlsbad, NM 88220
- C. An archeological study over this location, road and proposed pipeline has been prepared and is attached herewith. The original survey was hand delivered to the BLM by the archeologist on June 27, 2008.
- D. There are no buildings of any kind in the area.

12. OPERATOR'S REPRESENTATIVE - Field representative for contact regarding compliance with the Surface Use Plan is:

Before, during & after Construction:

Tommy E. Taylor
303 W. Wall Ave., Suite 1800
Midland, Texas 79701-5116
(432) 687-1777

13. CERTIFICATION - 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 currently exists; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Fasken Oil and Ranch, Ltd. and its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

NAME:
DATE:
TITLE:

Tommy E. Taylor
7/31/08
Drilling Manager

TET
(Pegasus10Fed2apd doc)

Fasken Oil and Ranch, Ltd.

Pegasus "10" Federal No. 2

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws application to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 17th day of July, 2008.



Signature

Name: Tommy Taylor

Position: Drilling Manager

Address: 303 West Wall, Suite 1800
Midland, TX 79701

Telephone: (432) 687-1777

Email: tommyt@forl.com

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Fasken Oil and Ranch, Ltd.
LEASE NO.:	NM96196
WELL NAME & NO.:	Pegasus 10 Federal # 2
SURFACE HOLE FOOTAGE:	690' FNL & 900' FEL
BOTTOM HOLE FOOTAGE:	Same
LOCATION:	Section 10, T. 21 S., R 24 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Cave/Karst
- ☐ **Construction**
 - Notification
 - Topsoil
 - Reserve Pit
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment/Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

- ** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Berming:

Tank batteries will be bermed to contain 1 ½ times the content of the largest tank.

Bermed areas will be lined with a 4 oz. felt liner to prevent tears or punctures and a permanent 20 mil plastic liner.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, siting valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Closed Mud System. All fluids will be held in steel tanks and hauled off.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Fresh Water Drilling:

The surface interval down to the bottom of the karst zone will be drilled with fresh water.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Delayed Blasting:

Any blasting will be phased and time delayed.

Abandonment Cementing:

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

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (505) 234-5972 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

There is no measurable soil on this well pad to stockpile. No topsoil stockpile is required.

C. RESERVE PITS

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (505) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

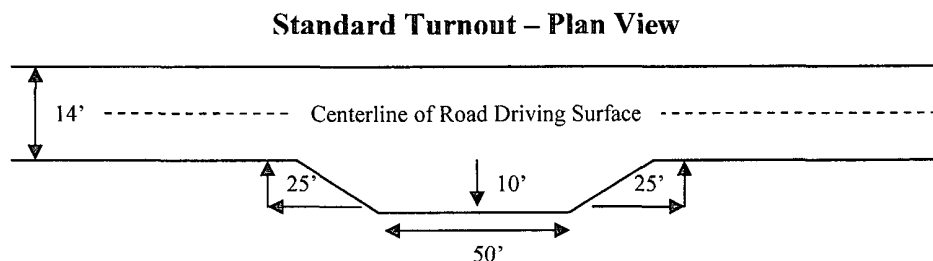
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

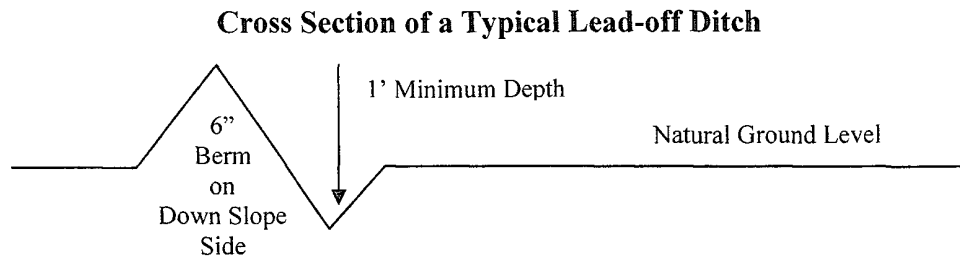
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



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

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

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

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

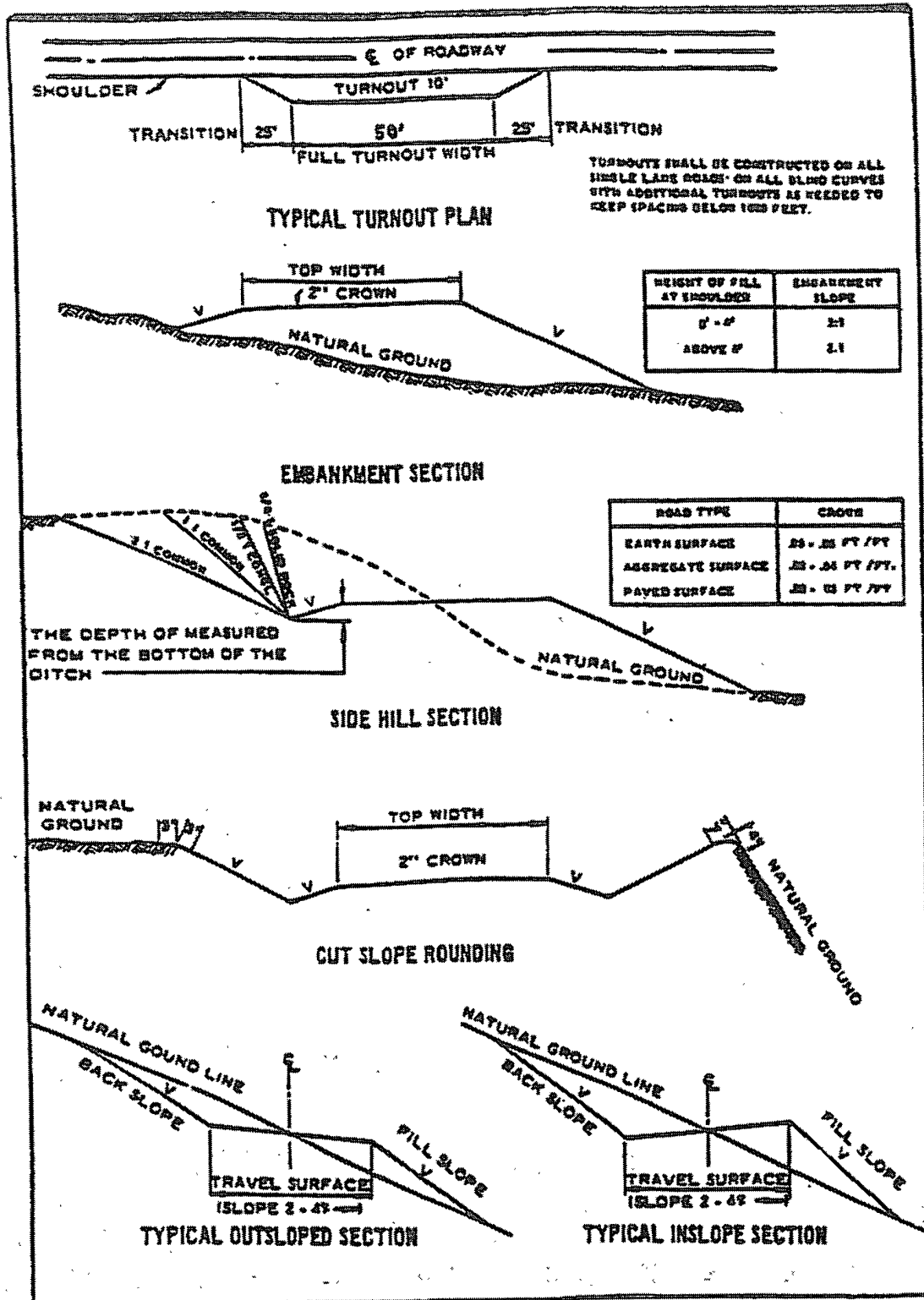
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

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

Figure 1 - Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**
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.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

High cave/karst.

Possible lost circulation in the San Andres and Wolfcamp formations.

Possible high pressure gas bursts in the Wolfcamp formation.

High pressure in the Pennsylvanian section.

1. The 13-3/8 inch surface casing shall be set at approximately 400 feet and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - c. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - ☒ Cement to surface. If cement does not circulate see B.1.a-c above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to high cave/karst.
3. The minimum required fill of cement behind the 4-1/2 inch production casing is:
 - a. First stage to DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.
 - b. Second stage above DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office. Operator shall provide method of verification. **Additional cement may be required as calculated excess is 20%.**
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
 - f. **Surface casing and BOP/BOPE are to be tested.**

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.

Proposed mud weight may not be adequate for drilling through Wolfcamp.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

WWI 091308

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES

**THE PIPELINE APPLIED FOR IN THE APD CROSSES LEASE BOUNDARIES
AND WILL REQUIRE A ROW PERMIT. PIPELINE IS NOT AUTHORIZED
WITH THIS PERMIT TO DRILL.**

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

The operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Seed Mixture 3, for Shallow Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass (<i>Setaria magrostachya</i>)	1.0
Green Spangletop (<i>Leptochloa dubia</i>)	2.0
Side oats Grama (<i>Bouteloua curtipendula</i>)	5.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed
(Insert Seed Mixture Here)

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.