

BUREAU OF LAND MANAGEMENT
ROSWELL, NEW MEXICO

January 29, 1976

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Lease # NM-0467932
Operator Holly Energy, Inc
Well Name 7- W.D. Mc Intyre #1
Location Sec 20, T12S, R30E

"STANDARD STIPULATIONS FOR ALL DRILLING
IN RELATION TO OIL AND GAS ACTIVITIES
IN THE ROSWELL DISTRICT"

(The following list of 14 stipulations are some of the more commonly used stipulations for oil and gas drilling operations in southeastern New Mexico. The blocks checkmarked in red designate the stipulations applicable to the particular drilling permit listed above. Special or additional stipulations (if any) are written in under #15.)

- ☒ 1. If, during operations, the operator or any person working in his behalf, discover any historic or prehistoric ruin, monument or site, or any object of antiquity subject to the Antiquities Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. Secs. 431-433), and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the District Manager. The Bureau will then take such action as required under the Act and regulations thereunder. When directed by the District Manager, the operator will obtain, at his expense, a qualified archaeologist to examine and, if necessary, excavate or gather such ruins or objects.
- ☒ 2. All access roads constructed in conjunction with the drilling permit should be limited to 12 feet in width, along with turnouts. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measure deemed necessary by the responsible BLM representative.
- ☐ 3. Each existing fence to be crossed by the permittee will be braced and tied off before cutting so as to prevent slacking of the wire. The opening will be protected as necessary during construction to prevent the escape of livestock and upon completion of construction, the fence will be repaired to BLM specifications. A cattleguard with an adjacent 12 foot gate will be installed in any fence where a road is to be regularly traveled.

- ☐ 4. When a road or construction in connection with the drilling operation breaks or destroys a natural barrier used for livestock controls, gap thus opened shall be fenced to prevent drift of livestock. Said fences shall be constructed according to BLM specifications.
- ☒ 5. Materials removed during construction must be disposed of in such a manner that it does not detract from the aesthetics and does not accelerate erosion. When clearing the area of operations of vegetation other than grass, the vegetation removed will be placed in drainages, washes, gullies, etc., and "walked down" by crawler type tractor. If no drainages are in the immediate area, the vegetation will be "walked down" in place. After construction has been completed, the affected area will be left in as aesthetically pleasing condition as possible. All trash resultant from construction activities will be disposed of. Any large rocks left as a result of construction activities will not be piled or left in rolls but will be left so they do not detract from the scenic attributes of the area and will not hinder the movement of livestock or big game animals.
- ☒ 6. Any "available topsoil" encountered during the construction of the drill site area will be stockpiled and made available for re-surfacing of the reserve pit area (after pits are covered) after completion of the drilling operation.
- ☒ 7. "Caliche" for use in the construction of the drill pad and access road shall be obtained from existing authorized pits whenever possible, as determined by the responsible BLM representative. No new pits shall be opened without prior approval from the responsible BLM representative.
- ☒ 8. The "mud pits" shall be well constructed and under no circumstances will they be allowed to leak or be cut to drain. They shall not be located on natural drainages. Waste or discharge of any kind will not be allowed to enter any drainage. Any plastic material used to line pits and/or sumps shall be cut-off below ground level, as far down as possible, and disposed of before the pits are covered. All unattended pits, containing liquids, will be fenced and the liquid portion allowed to evaporate before the pits are broken.
- ☒ 9. All pits found to contain toxic liquids will be fenced and covered with a fine-mesh netting for the protection of wildlife as directed by the responsible BLM representative.

- ☒ 10. All waste associated with the drilling operation will be buried in place (in a separate trash pit) or removed and deposited in an approved sanitary landfill. All garbage (metal containers will be crushed) and debris left on site will be buried at least three feet deep. All trash and debris will be buried or removed from the site within one month after removal of the drill rig. The permittee will comply with all state laws and regulations pertaining to the disposal of human waste.
- ☐ 11. If the well is a producer, during cleanup: all cut and fill banks will be made to be no steeper than _____ slope wherever possible.
- ☒ 12. The well "site", if a producer, will be maintained and kept clean of all trash and litter or other foreign material which detracts from the surrounding environment. Maintenance shall also include measures necessary to stabilize soil conditions (other than reseeding) on the road and pad area, and maintenance of facilities associated with said well, to the satisfaction of the District Manager for the lifetime of the well.
- ☒ 13. In the event the oil or gas test results in a dry hole, the drill pad and access road will be ripped in accordance with "BLM Roswell Districts' Ripping Recommendations for Caliche or Compacted Drill Pads and Access Roads" (3109). (Reseeding of the affected areas may be required at the discretion of the District Manager).
- ☒ 14. All structures above ground not subject to applicable conservation and safety requirements should be painted a non-glare, non-reflective, non-chalking color that simulates the natural colors of the site.
- ☒ 15. Special Stipulations: *Federal standard 595, color 3038*
"Planned access road" to follow existing road to pad.