

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1 Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

OCT 07 2008

2 Name of Operator  
BEPCO, L.P.

OCD-ARTESIA

3a. Address  
P.O. BOX 2760 MIDLAND TX 79702-27603b. Phone No (include area code)  
(432)683-2277

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 30, T24S, R30E, SESE UL P, 330' FSL & 560' FEL  
32.10559 N LAT. 103.54501 W LON

5. Lease Serial No

NMLC069627

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No  
NMNM71016

8. Well Name and No

POKER LAKE UNIT #227

9. API Well No

30-015-33929

10. Field and Pool, or Exploratory Area  
NASH DRAW - DELAWARE11. County or Parish, State  
EDDY  
NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other COMMING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& OFF LEASE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	STORAGE

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BEPCO, L. P. respectfully requests permission for Surface Commingling and Off Lease Storage to the referenced well from the Horned Toad 36 state #3H located 1881' FNL & 2225' FEL, Sec. 36, T24S, R29E, API No. 30-015-36200. The Poker Lake Unit Battery 227 currently has a commingling permit, CTB-571, which allows commingling with the Horned Toad 36 State #1H, 2H and #7 wells. BEPCO will lay a 2-7'8" steel flowline that will be laid within 30' of the center line of the existing lease road. A 3 phase separator will be installed at the 227 battery. The existing power line consisting of 12,470 volts 3 phase, running from the Horned Toad 36 State #7 well, will be utilized. The Oil, Water and Casinghead Gas will be metered separately from the production on BLM land. A copy of OCD form C-107-B (Application for Surface Commingling) is attached.

ACCEPTED FOR RECORD

OCT 8 2008

Gerry Guye, Deputy Field Inspector  
NMOCD-District II ARTESIA14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

ANN MOORE

Title PRODUCTION CLERK

Signature

Date 06/10/2008

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ James Stovall  
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

CARLSBAD FIELD OFFICE

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

(Instructions on page 2)

**BEPCO, L.P.**  
P. O. Box 2760  
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

June 10, 2008

**Re: Surface Commingle Application  
Horned Toad 36 State #3H  
Nash Draw (Delaware. BS. Aval.  
Eddy County, New Mexico  
File: 100-WF: HT 36 State3H. CPL**

Oil Conservation Division  
1220 S. St. Francis  
Santa Fe, New Mexico 87505

Gentlemen:

BEPCO, L.P. respectfully requests that you grant permission for surface commingling of production from the above captioned well. This request is to amend the previously granted CTB-571, most recently approved by your office on January 8, 2008, by adding an additional well on the Horned Toad 36 State Lease.

Copies of this application are being submitted to The State Land Office in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad.

It is our understanding that wells in the Nash Draw (Delaware, BS, Avalon) may share a proration as in the case of Horned Toad 36 State #3H and #7.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at [camoore@basspet.com](mailto:camoore@basspet.com).

Sincerely,



Ann Moore  
Production Clerk

cam  
Attachments

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-107-B  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BEPCO, L.P.

OPERATOR ADDRESS: P.O. BOX 2760 MIDLAND, TX 79702-2760

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If #Yes#, please include the appropriate Order No. CBT-571

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If #yes#, describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☒ No 100% BEPCO, L. P.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attach sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers

I hereby certify that the information above is true and complete to the best of my knowledge and belief

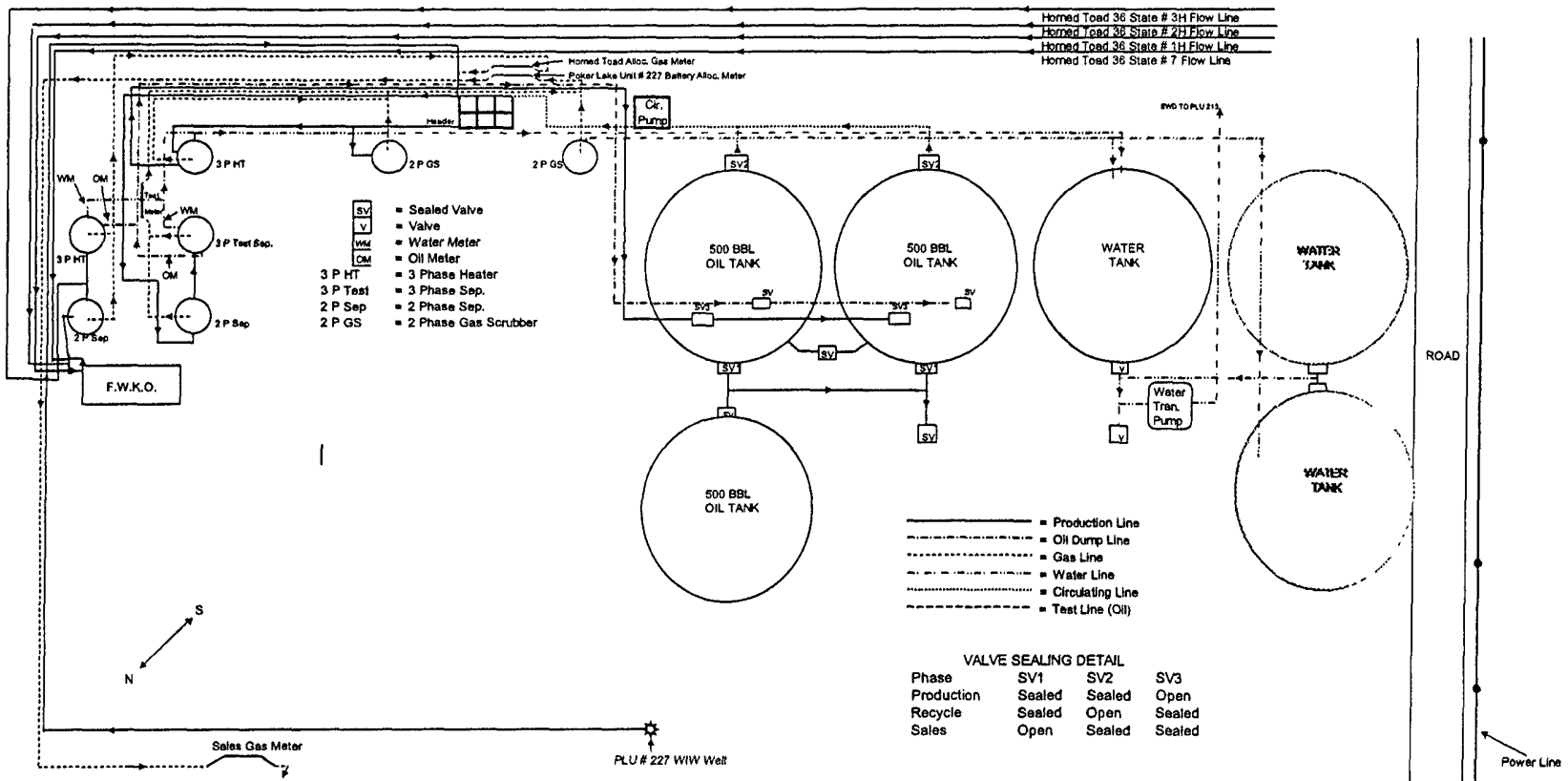
SIGNATURE Ann Moore TITLE PRODUCTION CLERK

DATE 06/10/2008

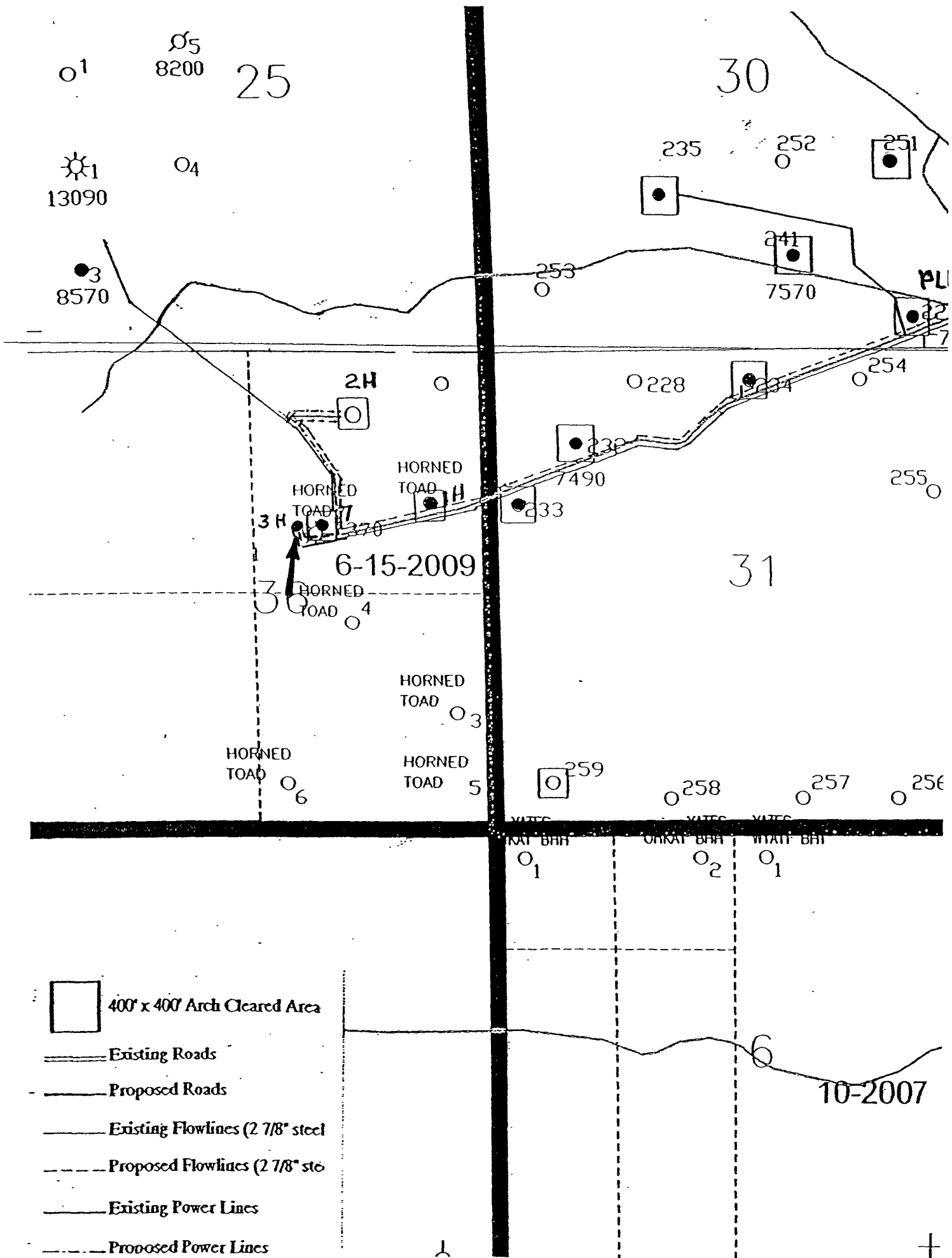
TYPE OR PRINT NAME ANN MOORE

TELEPHONE NO (432)683-2277

E-MAIL ADDRESS: camoorebasspet.com



BASS ENTERPRISES PRODUCTION CO.  
Poker Lake Unit # 227 Battery  
Nash Draw (Delaware)  
Well #'s PLU 232, 235, 241, 251H, & Horned Toad 36 State 1H, 2H, 3H, 7  
330' FSL, 560' FEL, SEC. 30  
T24S, R30E, Eddy County N.M.



POKER LAKE UNIT #227 TANK BATTERY COMMINGLED WELLS
ALL NASH DRAW (DELAWARE/BS/AVALON) POOL CODE 47545

Lease & Well No.	Type of Wellbore	Dedicated Acreage	API Number	Unit Letter	Sec. TS. RE
PLU 227 WIW	Vertical	NA Active WIW	30-015-33929	P	Sec. 30, T24S. R30E
PLU 232	Vertical	40 acres	30-015-34009	D	Sec. 31, T24S, R30E
PLU 235	Vertical	40 acres	30-015-34309	K	Sec. 30, T24S. R30E
PLU 241	Vertical	40 acres	30-015-34308	O	Sec. 30, T24S. R30E
PLU 251H	Horizontal	160 acres	30-015-34404	G, H, I, J	Sec. 30, T24S. R30E
Horned Toad 36 St. #1H	Horizontal	120 acres	30-015-34764	H, I, P	Sec. 36, T24S, R29E
Horned Toad 36 St. #2H	Horizontal	80 acres	30-015-35837	A, B	Sec. 36, T24S, R29E
Horned Toad 36 St. #7	Vertical	40 acres	30-015-36200	G	Sec. 36, T24S, R29E
Horned Toad 36 St. #3H	Horizontal	120 acres	30-015-34347	G, J, O	Sec. 36, T24S, R29E

Oil is loaded from the oil storage tanks at this site and trucked from this location by Shell Trading US.  
Gas is sold at this site at the Sales Gas Meter on the South side of the battery as shown on the  
Site security diagram and is sold to Southern Union Gas Services.

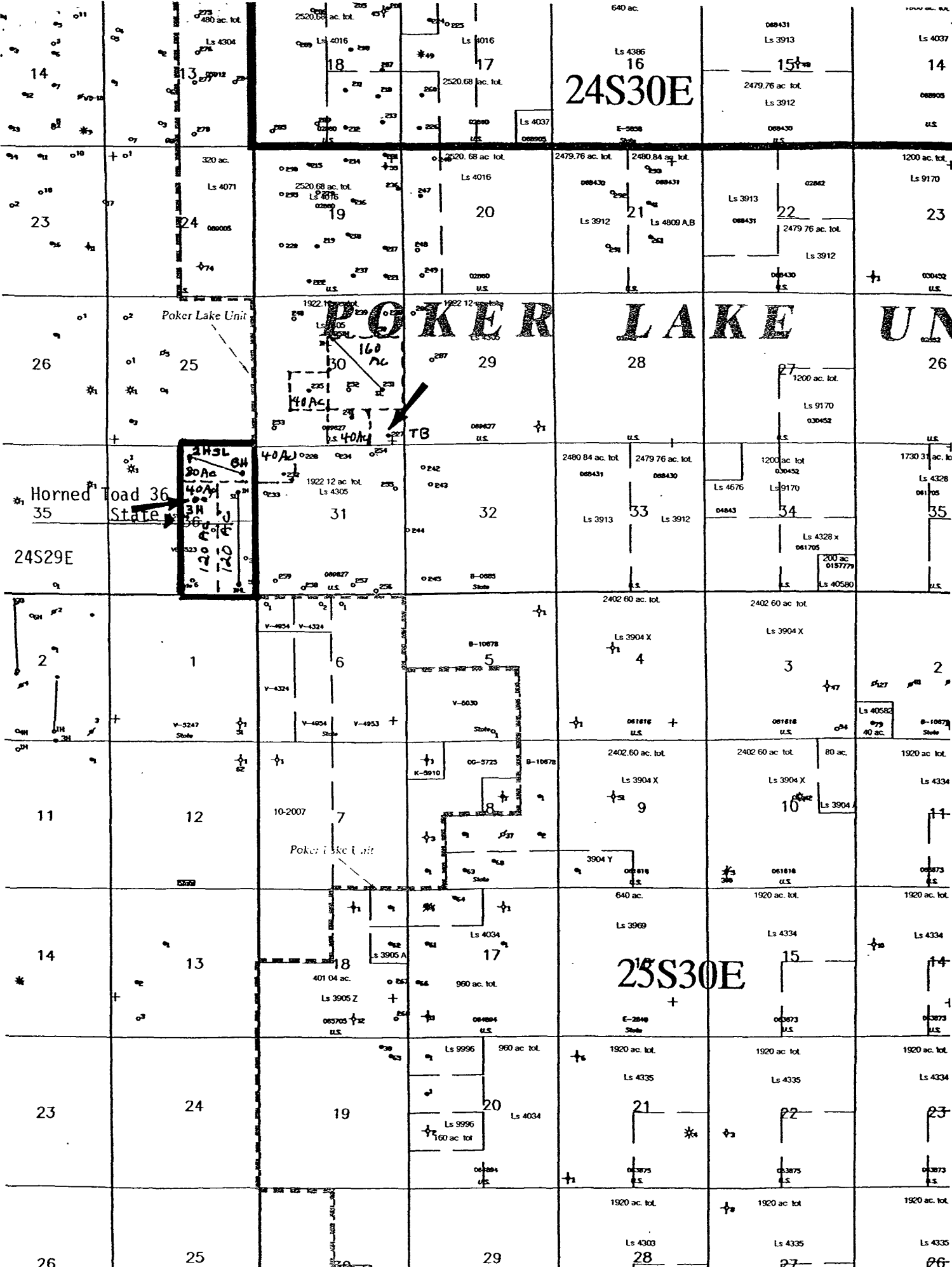
24S30E

POKER LAKE UNIT

25S30E

24S29E

Horned Load 36  
State



**BEPCO, L.P.**  
P. O. Box 2760  
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

June 10, 2008

**Re: Surface Commingle Application  
Horned Toad 36 State #3H  
Nash Draw (Delaware. BS. Aval.  
Eddy County, New Mexico  
File: 100-WF: HT 36 State3H. CPL**

State of New Mexico  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504-1148

Mr. Lyons:

BEPCO, L.P. respectfully requests that you grant permission for surface commingling of the above captioned well. This request is to amend the previously granted CTB-571, most recently approved by your office on November 8, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Copies of this application are being submitted to the State OCD in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad. Please find the enclosed fee for this application.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at [camoore@basspet.com](mailto:camoore@basspet.com).

Sincerely,



Ann Moore  
Production Clerk

cam  
Attachments



**BASS ENTERPRISES PRODUCTION CO.**

1ST CITY BANK TOWER  
201 MAIN ST  
FORT WORTH, TX 76102-3105

**11183**

37-65/1119 720  
7400517348

DATE 6-9-08

PAY  
TO THE  
ORDER OF

N.M. Commissioner of Public Lands

\$ 30<sup>00</sup>

Thirty dollars & <sup>NO</sup>/100

DOLLARS



Security  
Features  
Details on  
Back



Wells Fargo Bank, N.A.  
Texas  
wellsfargo.com

FOR

Surface Camming / Horn Toad 36 St #3-H

Brenda Weeks

MP

⑈0000011183⑈ ⑆111900659⑆ 7400517348⑈

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS****Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
BEPCO, L.P.3a. Address 3b. Phone No. (include area code)  
P.O. BOX 2760 MIDLAND TX 79702-2760 (432)683-22774. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SEC 30, T24S, R30E, SESE UL P, 330' FSL & 560' FEL  
32.10559 N LAT. 103.54501 W LON5. Lease Serial No.  
NMLC069627

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM710168. Well Name and No.  
POKER LAKE UNIT #2279. API Well No.  
30-015-3392910. Field and Pool, or Exploratory Area  
NASH DRAW - DELAWARE11. County or Parish, State  
EDDY  
NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
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13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

ANN MOORE

Title PRODUCTION CLERK

Signature



Date 06/10/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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

(Instructions on page 2)

Company Reference: BEPCO, L.P.  
Well # & Name: Horned Toad 36 State #3H Flowline

### STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

**A copy of the Sundry Notice and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.**

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
  - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
  - b. Activities of other parties including, but not limited to:

- (1) Land clearing.
- (2) Earth-disturbing and earth-moving work.
- (3) Blasting.
- (4) Vandalism and sabotage.

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 25 feet.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

**See attached archaeological COA's.**

(March 1989)

Company Reference: BEPCO, L.P.  
Well # & Name: Horned Toad 36 State #3H Flowline

### STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

**A copy of the Sundry Notice and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.**

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
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  - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
  - b. Activities of other parties including, but not limited to:

- (1) Land clearing.
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5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

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7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

**See attached archaeological COA's.**

(March 1989)



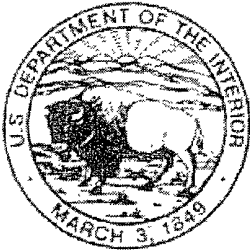


EXHIBIT NO. 1

Date of Issue:

9/10/2008

Bureau of Land Management, Carlsbad Field Office  
620 E. Greene Street Carlsbad, NM 88220

Cultural and Archaeological Resources

BLM Report No.

07-NM-523-546

## NOTICE OF STIPULATIONS

**Historic properties in the vicinity of this project are protected by federal law. In order to ensure that they are not damaged or destroyed by construction activities, the project proponent and construction supervisors shall ensure that the following stipulations are implemented.**

<b>Project Name:</b>	<b>Horned Toad 36 1H Flowline</b>
<b>REQUIRED</b>	<b>1. A 3-day preconstruction call-in notification.</b> Contact BLM Inspection and Enforcement at (505) 234-5977, 5909, or 5995, to establish a construction start date.
<b>REQUIRED</b>	<b>2. Professional archaeological monitoring.</b> Contact your project archaeologist, or BLM's Cultural Resources Section at (505) 234-5980, 5917, or 5986, for assistance. <b>A.</b> <input checked="" type="checkbox"/> These stipulations must be given to your monitor at least <b>5 days</b> prior to the start of construction. <b>B.</b> <input type="checkbox"/> No construction, including vegetation removal or other site prep may begin prior to the arrival of the monitor.
	<b>3. Cultural site barrier fencing.</b> (Your monitor will assist you). <b>A.</b> <input type="checkbox"/> A temporary site protection barrier(s) shall be erected prior to all ground-disturbing activities. The minimum barrier(s) shall consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon flagging or blue paint. There shall be no construction activities or vehicular traffic past the barrier(s) at any time. <b>B.</b> <input type="checkbox"/> A permanent, 4-strand barbed wire fence strung on standard "T-posts" shall be erected prior to all ground-disturbing activities. No construction activities or vehicle traffic are allowed past the fence.
	<b>4. The archaeological monitor shall:</b> <b>A.</b> <input type="checkbox"/> Ensure that all site protection barriers are located as indicated on the attached map(s). <b>B.</b> <input checked="" type="checkbox"/> Observe all ground-disturbing activities within 100 feet of cultural site no. (s)LS16401, as shown on the attached map(s). <b>C.</b> <input type="checkbox"/> Ensure that all reroutes are adhered to avoid cultural site no.(s) LA <b>D.</b> <input type="checkbox"/> Ensure the proposed is/are located as shown on the attached map(s). <b>E.</b> <input checked="" type="checkbox"/> Submit a brief monitoring report within 30 days of completion of monitoring.
<b>Other:</b>	

**Site Protection and Employee Education:** It is the responsibility of the project proponent and his construction supervisor to inform all employees and subcontractors that cultural and archaeological sites are to be avoided by all personnel, vehicles, and equipment; and that it is illegal to collect, damage, or disturb cultural resources on Public Lands.

For assistance, contact  
BLM Cultural Resources:

Martin Stein (575) 234-5980  
George MacDonell  
(575) 234-2228

Bruce Boeke (575) 234-5917

James Smith (575) 234-5986

Exhibit Number 2 – Map of Area to Monitor

