

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM Oil Cons. Commission

Drawer DD  
Artesia, NM 88210

Expires August 31, 1985

LEASE DESIGNATION AND SERIAL

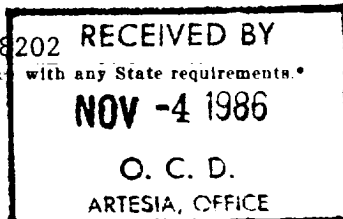
NM-36193

IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR McKay Oil Corporation	8. FARM OR LEASE NAME Four Mile Draw Fed.
3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico 88202	9. WELL NO. 3
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 660'FWL & 660'FSL	10. FIELD AND POOL OR WILDCAT W. Pecos Slope - Abo
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 14-6S-22E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4248' GL	12. COUNTY OR PARISH Chaves
	13. STATE NM



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT	MULTIPLE COMPLETION	FRACTURE TREATMENT	ALTERING CASING
SHOOT OR ACIDIZE	ABANDON*	SHOOTING OR ACIDIZING	ABANDONMENT*
REPAIR WELL	CHANGE PLANS	(Other)	
(Other)	Pipeline Connection X		

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.\*

Operator proposes to lay a 2 7/8" steel pipeline on surface in rocky areas and buried 12" in loamy areas along the route shown on Exhibit A.



18. I hereby certify that the foregoing is true and correct

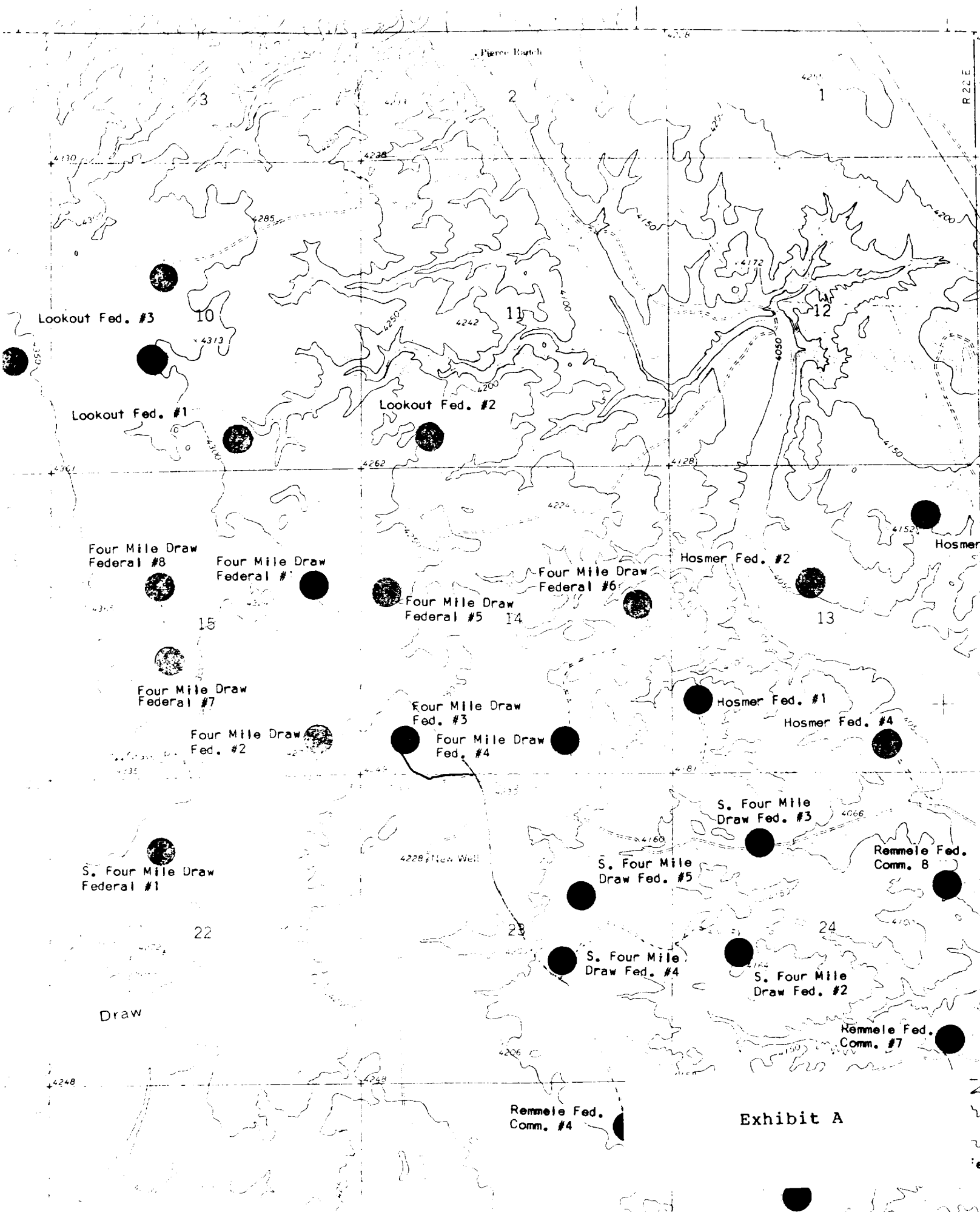
SIGNED [Signature] TITLE Landman DATE 10-24-86

(This space for Federal or State office use)

APPROVED BY S/Gary Wood, Acting TITLE Area Manager DATE 11-3-86

CONDITIONS OF APPROVAL, IF ANY: This authorization is given subject to the condition that all or part of it might be converted to a right-of-way grant in the future. Attached are two pages of stipulations which also apply to this Sundry.

\*See Instructions on Reverse Side



BLM Serial Number NM-36193  
Company Reference #3 Four Mile Draw Fed.  
pipeline-Sundry Notice

BURIED PIPELINE STIPULATIONS FOR THE ROSWELL DISTRICT, BLM

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. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil 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 or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of 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 holder of any responsibility as provided herein.
3. All construction and maintenance activity will be confined to the authorized right-of-way.
4. The pipeline will be buried with a minimum cover of 12 inches between the top of the pipe and ground level.
5. Blading of all vegetation ~~(will)~~ (will not) be allowed. Blading is defined as the complete removal of brush and ground vegetation. Clearing of brush species will be allowed. Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface. In areas where blading and/or clearing is allowed, maximum width of these operations will not exceed --- feet.
6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
7. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. A berm will be left over the ditchline to allow for settling back to grade.

(over)

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

9. Grantee ~~(will)~~ (will not) reseed. If reseeding is required, it will be done according to the attached seeding requirements, using the following seed mix.

☐ seed mixture 1

☐ seed mixture 3

☐ seed mixture 2

☐ seed mixture 4

10. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" - Carlsbad Canyon, Munsell Soil Color No. 2.5Y 6/2 (formerly Sandstone Brown); designated by the Rocky Mountain Five State Interagency Committee.

11. 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. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

12. 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.

13. Special Stipulations:

The pipeline may be laid on the surface where soil conditions do not allow for burial. This above ground segments will be painted as specified in stipulation number 10.