Form 3160-5 (November 1983) (Formerly 9-331)	JNITED STATES DEPARTMENT OF THE INTI BUREAU OF LAND MANAGEM	EATtesia, NM 88210	Form approved. Budget Bureau No Expires August 31 5. LEASE DESIGNATION AND NM-8431	10.15	
	DRY NOTICES AND REPORTS orm for proposals to drill or to deepen or pl Use "APPLICATION FOR PERMIT." for su		6. IF INDIAN, ALLOTTRE GI	R THILE NAME	
OIL GAS WELL WELL Z. NAME OF OPERATOR	OTHER	NOV 10 '87	7. UNIT AGREEMENT NAME		
McClellar 3. ADDRESS OF OPERATOR P.O. Dray	on Oil Corporation Cover 730, Roswell, N.M.	O. C. D. ARTESIA, OFFICE 88202	Penjack Fed. B. WELL NO. 4		
1. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1980 FSL & 1650 FWL			Pecos Slope Ab() 11. SEC., T., R., M., UR BLK. AND BURVEY ON ALEA		
14. PERMIT NO.	15. ELEVATIONS (Show whether		Sec. 6-T10S- 12. COUNTY OR PARISH 13 Chaves	R20E NII	
16.	Check Appropriate Box To Indicate	Nature of Notice, Report, or Ot			
TEST WATER SHUT-OFF FRACTURE TREAT SHOOT OR ACIDIZE REPAIR WELL 1Other)	PULL OR ALTER CASING MULTIPLE COMPLETE ABANDON* CHANGE PLANS MILETED OPERATIONS (Clearly state all pertirell is directionally drilled, give subsurface in	WATER SHUT-OFF FRACTI'RE TREATMENT SHOOTING OR ACIDIZING (Other) (NOTE: Report results of Completion or Recognite	REPAIRING WELL, ALTERING CASING ABANDONMENT* of multiple completion on Well tion Report and Log form.) Including estimated date of starting a depths for all markers and zon a per		

10/20/87 McClellan Oil proposes that a temporary flowline be laid from the Penjack #4 location to the Penjack Fed. #1 location. The right-of-way has been previously approved in the A.P.D. This temporary line will be used for approximately 180 days. We have discussed this with Skip Renchler on 10-19-87. The line will be removed after Transwestern connects the well to their system.

18. I hereby certify that the foregoing is true and correct	correct				
SIGNED /aul Kagldale		Operations Manager	DATE _	10/20/87	
(This space for Federal or State office use)		APPROVED			
APPROVED BYCONDITIONS OF APPROVAL, IF ANY:	TITLE	APPROVED PETER W. CHESTER	DATE _		···
See attached stipulations.	1	NOV 6 1987			
*S	ee Instruc	ons on Reversa Side ANAGEMENT BUREAU OF ESOURCE AREA ROSWELL RESOURCE AREA			
TILL 10 11 0 0 0 0		ROSWELL RESOURCE			

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN 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. 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.
 - 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.

3. 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.

- 4. All construction and maintenance activity will be confined to the authorized right-of-way width of _____15__ feet.
- 5. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.
- 6. 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 duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 7. 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.
- 8. 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.
- 9. 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.
- 10. Excluding the pipe, 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. Signs 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:
 - a. This authorization will terminate 180 days from date of approval.