

SPECIAL STIPULATIONS

1. All rights under this lease are subordinate to the right of the United States to flood and submerge the lands, permanently or intermittently, in connection with the construction and operation and maintenance of the Brantley dam and reservoir, Brantley Project, New Mexico.
2. All surface work performed by the lessee on the lands shall be under the general supervision of the Regional Director, Water and Power Resources Service (Service) in direct charge of the project, and shall be subject to such conditions and regulations as he may prescribe. The plans and location for all structures, appurtenances thereto, and surface work on the leased lands shall be submitted to the said Regional Director for approval in advance of commencement of any surface work on the said leased lands. All oil or gas drilling and producing operations shall be under the supervision of the Regional Oil and Gas Supervisor, U.S. Geological Survey (Survey), in accordance with 30 CFR 221. The authorized representatives of the Service and the Survey shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the lessee.
3. Surface facilities shall be moved at the lessee's expense if required for construction of Brantley Dam and related facilities.
4. All storage tanks shall be constructed above elevation 3,285.3 feet, mean sea level, and shall be protected by firewalls or dikes of sufficient capacity to protect the reservoir from pollution.
5. Drilling a well for oil or gas is prohibited within 500 feet of any dam, dike, or other major structure, unless otherwise approved by the Regional Director.
6. All drilling operations shall be conducted in accordance with the applicable State laws relative to municipal water supplies.
7. No surface disturbance shall occur until completion of an environmental analysis of the proposed drilling activity and coordination is completed with the Service. This analysis shall pay particular attention to federally listed threatened and endangered plant and animal species, protection of wetlands, cultural resources, and water quality-associated concerns.
8. Where surface operations and facilities could reasonably be expected to discharge petroleum products into navigable waters and should oil or petroleum products be stored onsite and facilities have an aggregate storage of 1,320 gallons or more or single containers with capacity of 660 gallons or more, a "Spill Prevention Control and Counter Measure Plan" shall be prepared and filed with Environmental Protection Agency (EPA).