- b. The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM. Revegetation is recommended for road area, as well as around the drill pad.
- c. The reserve pit will be fenced during drilling operations. Fencing will be maintained until leveling and cleanup are accomplished.
- d. If any oil is in the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substances will be flagged overhead or covered with mesh.
- e. The rehabilitation operations will begin after the completion rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation will be done between July 15 and September 15.
- f. All efforts will be made to minimize surface disturbances and protect the visual resources along the scenic byway.
- 11. <u>Other Information</u>:
 - a. There are no significant archaeological or cultural sites visible in the area of disturbance. A cultural resource survey was performed by Archaeological Consultants Inc. of Roswell.
 - b. General topography: Shown on Vicinity Lease Map. The terrain at the wellsite is gently rolling hills. Vegetation is primarily sage brush and natural grasses.
 - c. Animal life: Prairie dogs, domestic livestock, rabbits and native rodents and predators.
 - d. Dwellings (nearest): Approximately 2 miles.
 - e. General location: Approximately 15 miles Northwest of Carlsbad, New Mexico.
 - f. Drainage: Internal
 - g. Surface Owner: The surface is owned by the Bureau of Land Management.
 - h. Due to proximity of the location and nearby drainage, Marathon will make every effort to minimize surface disturbance. Please see the location pad and reserve pit dimensions..
- 12. Operator Representatives: R. J. Longmire Drilling, Completion, & Workover Superintendent P. O. Box 552 Midland, TX 79702 800/351-1417 915/682-1626 915/687-8344 (Direct Line) 915/495-2336 (Pager)

A. P. D. (cont.) Thirteen Point Surface Use Plan Indian Basin "A" #4

Certification: 13.

I hereby certify that I, or someone under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with the operations proposed herein will be performed by MARATHON OIL COMPANY and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9/4/00 Date

R. J. Longmite

DRILLING PROGRAM MARATHON OIL COMPANY Indian Basin "A" # 4

1. Estimated KB Elevation: 3860' KB

FORMATION	MEASU	TOP	UBSEA		IEASUR		SUBSE	<u>A</u>	FLUID <u>CONTENT</u>
Queen San Andres Glorietta Yeso Bone Spring Tubb Wolfcamp Cisco Canyon Atoka Morrow T.D.	Surface 535' 2073' 2220 3710' 5860 6010' 7385' 7550' 8665' 8947 9600	+	-3860' -3325' +1787' +1640' -150' -2000' -2150' -3525' -3690 -4805 -5087 -5740	2 2 3 5 6 7 7 7 8 8 8 8	535' 073' 355' 710 860 6010' 385' 7550 3665' 8947 9600 9600		+3325' +1787' +1640' -150 -2000' -2150 -3525' -3690 -4805 -5087 -5740 -5740		water water oil gas oil gas gas gas
Formation Bone Springs Wolfcamp Morrow	PSIG 1210 1680 3460	PPG EMV 8.5 8.5 9.2	N	DEG f		<u>РРМ</u> 500 5000 0		mar	

2. See (1) above.

If any unexpected water or mineral bearing zones are encountered, they will be reported, evaluated, and protected as circumstances and regulations require.

3. Pressure Control Equipment:

4.

<u>9-5/8" Surface:</u> 11" 3M annular tested to 200 psi /2000 psi, 11" 3M dual rams, choke manifold and mud cross, tested to 300#/3000#.

Auxiliary Equipment:

Surface Hole: Annular or rotating head w/air rig.

Intermediate Hole: N/A

Production Hole: Flow indicator, PVT, H₂S Sensors, air packs, stroke counter, rotating head.

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and pressure tested prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Casing will be pressure tested before drilling casing cement plugs.

Upper and lower kelly cocks with valve handle and safety valve and subs to fit all drillstring connections in use will be available on rig floor.

Test Frequency

- 1. When installed.
- 2. Anytime a pressure seal is broken (test confined only to affected equipment).
- 3. At least every 20 days.
- 4. Blind and pipe rams shall be activated each trip but not more than once/day.

4. <u>Casing and Cement Program</u>:

DEPT FROM	H <u>TO</u>	SECTION LENGTH	HOLE <u>SIZE</u>	CSG <u>SIZE</u>	WT. <u>PPF</u>	GRADE		NEW USED
0	1200'	1200	12.25"	9-5/8"	36.00#	K-55	8rd, STC	New
0	4800'	4800'	8.750"	7.00"	23.00#	K-55	8rd, LT&C	New
4800'	9600'	4800 '	8.750"	7.00"	26.00	K-55	8rd, LT&C	New

Casing <u>String</u>	DV <u>Depth</u>	<u>Sta.</u>	Lead <u>Tail</u>	Amt <u>SXS</u>	Type <u>Cement</u>	Yield <u>CF/SX</u>	Wt. <u>PPG.</u>	<u>TOC</u>	Additives
9.625 "	none	1	L	350	"C"	2.02	12.4	surf.	5# /Sk.Gilsonite,2% Cacl1/4# cello
9.625"	none		т	150	"C Neat	1.34	14.8	800'	2% Cacl, ¼# cello
7.0"	6300'	1	L	340	Prem.	1.44	13.0	5600'	Foamers, N2
7.0"		2	L	840	Interfill "C"	2.47	11.9		1/4pps Cello,3pps Gilsonite,0.2% Halad 322
7.0"		2	т	100	"C" Neat	1.32	14.8	6000'	N/A I

Each stage will be preceded by an appropriate mud flush. Actual production hole volumes will be based on the caliper volume plus 25% excess.

Centralizer Program:

9-5/8"Conventional centralizers. Bottom 3 joints and every fourth joint to surface.

- 7.0" Conventional centralizers middle of 1st joint, then every joint to 7500', and 1 cent. Every 4th joint thereafter to 9600'
- 5. Mud Program

DEP			WEIGH	т	WL		VISUAL
FROM	<u>T0</u>	MUD TYPE	<u>(PPG)</u>	<u>VIS</u>	<u>CC</u>	ADDITIVES	<u>MONTR.</u>
0	1200'	fresh water	8.3	28	N/A	Gel, Lime	Reserve
1200'	7800'	fresh	8.5	28-32	N/C	Gel, caustic, H ₂ S Scavenger	Reserve
7800'	8200'	Cut Brine	9.0	32-36	>20	Gel, Starch, Caustic	Steel Pits
8200'	9600'	Cut Brine	9.0	32-36	> 20	Gel, Starch, Caustic	Steel Pits

Sufficient quantities of additives will be on location to maintain above mud properties for any anticipated well conditions.

6. Logging, Testing & Coring Programs:

LOG/TEST/CORE/MUDLOG/OTHER	INTEI <u>FROM</u>		REMARKS
DLL/MSFL/GR/CNL/LDT/CAL	TD	5000'	
LDT/CNL/GR/CAL	TD	surf casing	
MUD LOGGER	6000'	TD	ROP, Lithology, Gas Analysis, Chromatograph

NO CORES OR DST'S

7. Abnormal Pressures, Temperatures or Potential Hazards:

None anticipated. Possible H₂S in Cisco & Upper Penn. See H₂S Drilling Operations Plan.

8. <u>Other Information</u>:

Anticipated Starting Date: As soon as possible.

Duration of Well: drilling - 18 days, completion - 10 days.

ARCHAEOLOGICAL SURVEY of the MARATHON OIL COMPANY INDIAN BASIN "A" GAS COM. FEDERAL WELL NO. 4 & ACCESS ROAD R/W T215, R23E, SECTION 22 (NE4NE4) [800 FNL, 800 FEL]. EDDY COUNTY, NEW MEXICO

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FEDERAL LAND SURFACE [U.S.G.S. 7.5 minute series, MARTHA CREEK, NEW MEXICO, 1978]

ASC Report 98-082 (NMCRIS NO. 63321)

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by Dorothy M. Griffiths, Project Archaeologist and James V. Sciscenti, Principal Investigator

ARCHAEOLOGICAL SURVEY CONSULTANTS P.O. Drawer D, Roswell, New Mexico 88202 [505] 623-5012

BUREAU OF LAND MANAGEMENT PERMIT NO.: 18-2920-98-M

.. •,

December 31, 1998

Prepared for:

Marathon Oil Company P.O. Box 552 Midland, Texas 79702

Attention: Walter Dueease

Distribution:

Marathon Oil Company (1) BLM - Carlsbad Field Office (2) Griffiths (1)

ARCHAEOLOGICAL SURVEY CONSULTANTS

TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

BIM	CFO						
1.	BIM Report #	2. (ACCEPTED)	(REJECTED)	3. NMCRIS #: 63321			
	Report Title: ARCHAEOLOGICAL : COM. FEDERAL WELL NO. 4 & ACC FEL]. EDDY COUNTY, NEW MEXIO						
5.	Project Date (Fieldwork): 12/	12/1998	6	. Report Date: 12/31/1998			
7.	Consultant Name & Address: ARCHAEDLOGICAL SURVEY CONSULT P.O. Drawer D, Roswell, New M	ANTS Lexico 88202. Pho	me: 505-623-50	12.			
	Direct Charge: D.M. Griffiths Project Archaeologist: D.M. G Field Personnel Names: J.V. S	TITTITOS ADD/UL V					
8.	A.S.C. PERMIT #: 18-2920-98-M	1 9.	. Consultant Re	port #: ASC Report 98-082			
10.	0. Sponsor Name, Address, & Phone Number: Individual Responsible: Walter Dueease MARATHON OIL COMPANY, P.O. Box 552, Midland, TX 79702; Phone: 1-800-351-1417						
11.	For BLM Use Only.						
	:						
12.	ACREAGE. Total Acres Surveyed Surface Ownership by Acres:	1: 6.25 Federal: 6.25 N	I.M. State: 0	Fee: 0			
13.	Location (Maps attached):	a. State: New Mex	tico b. Count	ty: Eddy			
c.	BIM Field Office: Carlsbad		d. Neares	st Town: Seven Rivers			
е.	Project (Well Pad) Location: Footages: 800 FNL, 800 FEL. Access Road R/W: T21S, R23E,).			
f.	Map Name(s): U.S.G.S. 7.5 mi	nute series, MARI	THA CREEK, NEW 1	MEXICO, 1978 (32104-D5)			
g.	Impacted Block Area: 300 ft.	sq. <u>+</u>). Surveyed	l Block Area: 4	00 ft. sq.			
	Linear Impact Area: 1050 ft. Surveyed Linear Area: 1050 f	long x 25 ft. wi t. long x 100 ft	ide +. . wide, with a	150 ft. sq. delta.			

ARCHAEOLOGICAL SURVEY CONSULTANTS

TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM (continued)

BLM CFO

14 a. Records Search: ARMS & BIM records, as of 12/01/1998, do not indicate the prior recording of sites within 0.25 miles of the project area.

b. Description of Undertaking: intensive archaeological survey of the Marathon Oil Company Indian Basin A Gas Com. Federal Well No. 4 (400 ft. square, 3.67 acres), and Access Road R/W (1050 ft. long x 100 ft. wide, with a 150 ft. sq. delta, 2.58 acres), with a total federal land surface of 6.25 acres, was inspected for cultural remains.

c. Environmental Setting: situated on the west edge of Indian Basin, and 4 miles west of the Seven Rivers Hills, ca. 2700 ft. northwest of Rocky Arroyo, and ca. 2300 ft. southeast of Bone Tank Draw, on the slope of a NE trending ridge which is a divide between Rocky Arroyo and Bone Tank Draw (a tributary of Stinking Draw), within gently sloping to relatively level terrain. A NE/SE trending berm, probably consisting of terrace gravels from a very old, higher level terrace deposit from Rocky Arroyo, occurs within the extreme SE quadrant of the well pad. The ca. 50 ft. wide terrace berm has a large quantity of limestone cobbles (apparently rolled), intermixed with shallow soil, on either side of the berm; the area between the cobbles have shallow soils and limestone fragments. Most of the well pad is within an area with very low relief, with some evidence of ponding and drainage. Soils: Reagan-Upton association. Vegetation: marginal Chihuahua Desert Scrub. Ground Visibility: ca. 65% to 75%, averaging ca. 70%.

d. Field Methods: straight and zig-zag transects, spaced no greater than 15 metres apart, with dogleash transects in the vicinity of cultural material. Work Hours on Ground: 4. Crew Size: 2. Artifacts Collected: 1 crude projectile point.

15. Cultural Resource Findings: archaeological survey of the Marathon Oil Company Indian Basin "A" Gas Com. Federal Well No. 4 and Access Road R/W revealed the occurrence of 5 Isolated Finds, none of which appear significant past the level of field recording.

I.F. # 1: UTM Zone 13; 539,160 m.E; 3,592,280 m.N. T21S, R23E, Sec. 22 (SWANE_ANE_A), Eddy Co., N.M. Elevation: 3862 ft. Situated on an older terrace berm, in an area with exposed limestone cobbles and rocky loam soil. Artifacts: 1 metal hole-in-cap can, opened with a knife in a criss-cross pattern at the bottom end of the can (4 5/8ths in. high x 4 in. diametre); the cap is 2 5/8ths in diametre); 1 granite-ware metal pie plate (9 in. diametre); rim ($\frac{1}{2}$ in. wide).

I.F. # 2: UTM Zone 13; 539,240 m.E; 3,592,070 m.N. T21S, R23E, Sec. 22 (NE $_{3}SE_{4}NE_{4}$), Eddy Co., N.M. Elevation: 3862 ft. Situated within a slightly inclined area, in an area of loam soil, ca. 50 ft. west of the access road centreline. Artifacts: 1 dark brown chert, interior flake, medial segment (1.8 x 1.7 x 0.3 cms. thick).

I.F. # 3: UTM Zone 13; 539,220 m.E; 3,592,105 m.N. T21S, R23E, Sec. 22 (NE $\frac{1}{2}$ SE $\frac{1}{2}$), Eddy Co., N.M. Elevation: 3862 ft. Situated on a very low ridge, in an area with limestone float and rocky loam soil, ca. 57 ft. west of the access road centreline. Artifacts: 1 gray/brown chert, prepared platform, primary flake (3.3 x 3.0 x 0.4 cms. thick); 1 purple quartzite, cortex platform, interior flake, broken into 3 mendable places 5.8 x 2.7 x 1.1 cms. thick).

I.F. # 4: UTM Zone 13; 539,215 m.E; 3,592,245 m.N. T21S, R23E, Sec. 22 (NE $_{2}^{+}$ SE $_{2}^{+}$), Eddy Co., N.M. Elevation: 3860 ft. Situated 35 ft. west of the access road centreline, in a drainage area, within a 13 m. diametre area. Artifacts: 1 brown chert, prepared platform, interior flake, proximal end (2.4 x 1.2 x 0.8 cms. thick); 1 light tan chert, interior flake, medial segment (1.5 x 1.8 x 0.3 cms. thick); 1 pink/gray banded chert, prepared platform, secondary flake, proximal end (3.2 x 2.2 x 1.3 cms. thick); 1 pink/brown chert, interior flake, medial segment (1.5 x 0.8 x 0.2 cms. thick).

ARCHAEOLOGICAL SURVEY CONSULTANTS

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TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM (continued)

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15. Cultural Resource Findings:

I.F. # 5: UIM Zone 13; 539,135 m.E; 3,592,245 m.N. T21S, R23E, Sec. 22 (SWANEANEA), Eddy Co., N.M. Elevation: 3862 ft. Situated on an older terrace berm, in an area with exposed limestone cobbles and rocky loam soil, ca. 12 ft. south of the well pad. Artifacts: 1 gray/tan chert, crude, bifacially flaked, fragmentary, side-notched projectile point; the specimen is not typologically identifiable (2.55 cms. long x 1.8 cms. wide x 0.45 cms. thick).



16. Management Summary & Recommendations: since the Isolated Finds do not appear significant past the level of field recording, archaeological CLEARANCE for the Marathon Oil Company Marathon Oil Company Indian Basin A Gas Com. Federal Well No. 4 and Access Road R/W is RECOMMENDED, without proviso.

I certify that the information provided above is correct and accurate, and meets all applicable BIM standards.

Project Archaeologist Principal Investigator



H2S DRILLING OPERATIONS PLAN

°≇ ₹_4

I. HYDROGEN SULFIDE TRAINING

All contractors and subcontractors employed by Marathon Oil Company will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

- 1. The hazards and characteristics of hydrogen sulfide (H2S)
- 2. Safety precautions
- 3. Operations of safety equipment and life support systems

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

- 1. The effect of H2S on metal components in the system. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
- 3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location.

A. Wind direction indicators as seen in attached diagram.

B. Automatic H2S detection alarm equipment (both audio and visual).

C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS' and "CAUTION" with a strong color contrast.

D. Protective breathing equipment will be located in the dog house and at briefing areas as seen in the attached diagram.

2. WELL CONTROL SYSTEMS

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

a. pipe rams to accomodate all pipe sizes

- b. blind rams
- c. choke manifold
- d. closing unit

Auxillary equipment added as appropriate includes:

- a. annular preventor
- b. rotating head

c. mud- gas separator

- d. flare line and means of ignition
- e. remote operated choke
- B. Communication

The rig contractor will be required to have two-way communication capability. Marathon Oil Company will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use H2S scavengers when appropriate will minimize hazards when of penetrating H2S bearing zones.

D. Drill Stem Test intervals are as follows:

DST No. 1	ft. to ft.
DST No. 2	ft. to ft.
DST No. 3	ft. toft.

Drill Stem Testing Safety Rules are attached.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached.

- 1. Rig orientation
- 2. Terrain
- 3. Briefing areas
- 4. Ingress and egress
- 5. Pits and flare lines
- 6. Caution and danger signs
- 7. Wind indicators and prevailing wind direction





ARCHAEOLOGICAL SURVEY of the MARATHON OIL COMPANY PIPELINE R/W to the INDIAN BASIN "A" GAS COM. FEDERAL WELL NO. 4 T21S, R23E, SECTION 15 (NE4SW4; NW4SE4; SW4SE4); SECTION 22 (NW4NE4; NE4NE4). EDDY COUNTY, NEW MEXICO

FEDERAL LAND SURFACE [U.S.G.S. 7.5 minute series, MARTHA CREEK, NEW MEXICO, 1978]

ASC Report 99-044 (NMCRIS NO. 65497)

by Dorothy M. Griffiths, Project Archaeologist and James V. Sciscenti, Principal Investigator

ARCHAEOLOGICAL SURVEY CONSULTANTS P.O. Drawer D, Roswell, New Mexico 88202 [505] 623-5012

BUREAU OF LAND MANAGEMENT PERMIT NO.: 18-2920-98-M

July 30, 1999

Prepared for:

Marathon Oil Company P.O. Box 1324 Artesia, New Mexico 88210

Attention: Mana Ratanasavetavadhana

Distribution:

Marathon Oil Company (1) Joe Williams (1) BLM - Carlsbad Field Office (2) Griffiths (1)

ARCHAEOLOGICAL SURVEY CONSULTA...S

ASC Report No. 99-044

TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM

BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

BLM CFO

1. BIM Report #	2. (ACCEPTED)	(REJECTED)	3. NMCRIS #: 65497
Report Title: ARCHAEOLOGICAL	NEVEY of the MARA	THON OTT. COMPA	

- 4. Report Title: ARCHAEOLOGICAL SURVEY of the MARATHON OIL COMPANY PIPELINE R/W to the INDIAN BASIN "A" GAS COM. FEDERAL WELL NO. 4. T21S, R23E, SECTION 15 (NE4SW4; NW4SE4; SW4SE4); SECTION 22 (NW4NE4; NE4NE4). EDDY COUNTY, NEW MEXICO.
- 5. Project Date (Fieldwork): 4/22/1999

6. Report Date: 7/30/1999

7. Consultant Name & Address: ARCHAEOLOGICAL SURVEY CONSULTANIS P.O. Drawer D, Roswell, New Mexico 88202. Phone: 505-623-5012.

Direct Charge: D.M. Griffiths and/or J.V. Sciscenti Project Archaeologist: D.M. Griffiths and/or J.V. Sciscenti Field Personnel Names: J.V. Sciscenti & D.M. Griffiths

8. A.S.C. PERMIT #: 18-2920-98-M

9. Consultant Report #: ASC Report 99-044

 Sponsor Name, Address, & Phone Number: Individual Responsible: Mana Ratanasavetavadhana MARATHON OIL COMPANY P.O. Box 1324. Artesia, New Mexico 88210. Phone: 1-915-528-1099

11. For BLM Use Only.

- 12. ACREAGE. Total Acres Surveyed: 10.74 Surface Ownership by Acres: Federal: 10.74 N.M. State: 0 Fee: 0
- 13. Location (Maps attached): a. State: New Mexico b. County: Eddy
- c. BLM Field Office: Carlsbad

d. Nearest Town: Seven Rivers

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- e. Project Location: T21S, R23E, Section 15 (NE4SW4; NW4SE4; SW4SE4); Section 22 (NW4NE4; NE4NE4). Eddy County, New Mexico. Footages: not applicable.
- f. Map Name(s): U.S.G.S. 7.5 minute series, MARTHA CREEK, NEW MEXICO, 1978 (32104-D5)
- g. Impacted Block Area: not applicable. Surveyed Block Area: not applicable.

Linear Impact Area: 4678.6 ft. long x 25 ft. wide +. Surveyed Linear Area: 4678.6 ft. long x 100 ft. wide.

14 a. Records Search: ARMS & BIM records, as of 4/22/1999, indicate the prior recording of 6 sites within 0.25 miles of the project area: LA 114197, LA 114198, LA 115864, LA 115865, LA 115866, & LA 121118; there are no sites within 500 ft. of the project. With the exception of LA 121118, all of the sites are west of Bone Tank Draw.



Map showing the location of the Marathon Oil Company Pipeline R/W to the Indian Basin "A" Gas Com. Federal Well No. 4. T21S, R23E, Sections 15 & 22, Eddy County, New Mexico [BLM, Carlsbad Field Office, New Mexico]. Square shows location of well pad; solid line shows location of pipeline R/W; dots show locations of Isolated Finds. U.S.G.S. 7.5 minute series, MARTHA CREEK, NEW MEXICO, 1978. ASC Project 99-044.





United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88221-1778

N REPLY REFER TO: 3162.4 (NM-080) Lease #LC-05612-A



MAY 1 0 1999

Marathon Oil Company P O Box 552 Midland, Texas 79702

Your application was received in our office on April 14, 1999 for the installation and maintenance of the Indian Basin A Federal No. 4, overhead electric line. It is located in the N½N½ of section 22, T.21S., R.23E., and is hereby approved subject to the enclosed stipulations. If you have any questions please contact Barry Hunt at (505)887-6544.

Sincerely,

angie Zara

Angie Lara Acting Field Manager

2 Enclosures

•rm 3160-5 une 1990)	UNI' DEPARTMEN	STATES T OF THE INTERIOR		FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993
		AND MANAGEMENT		5. Lease Designation and Serial No.
				NM 05612-A
	SUNDRY NOTICES a rm for proposals to dri	6. If Indian, Allonce or Tribe Name		
Use this to	se "APPLICATION FOI	osals		
	SUBMIT			7. If Unit or CA, Agreement Designation
1. Type of Well Oil Ges Well Well Well	Other			8. Well Name and No.
2. Name of Operator MARATHON	OIL COMPANY			9. API Well No.
3. Address and Telephone N	6. Z MIDLAND	TR 79702 (9	15)682-1626	10. Field and Pool, or Exploratory Area
4. Location of Well (Footag	re, Sec., T., R., M., or Survey D			INDIAN BASIN
Section	22, T-21-S,	R-23-E		11. County or Parish, State
JECTION	22, 1-21-3,			EDDY COUNTY, NM
2. CHECK	APPROPRIATE BOX	s) TO INDICATE NATUR	E OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF	SUBMISSION		TYPE OF ACTION	/
Notice o	of Intent	Abandoament		Change of Piers
		Recompletion		New Construction
L Subsequ	ent Report	Casing Repair		Water Shut-Off
Final A	bandonment Notice	Altering Cusi	45	Conversion to Injection
		Other		[] Dispose Water (Note: Report results of muchiple complexion on Welf Complexion or Recomplexion Report and Log form.)
give subsurface loc Indian Basin	Well No. A-4 Powe	real depths for all markers and zones per rline	UNCH (O BAS WORL)	ng any proposed work! If well is directionally drilled,
in the Indian T-21-S, R-23	Basin Field. The pro 3-E to existing Mara	pposed construction will the thon construction.	e-in the Indian Basin	7 Kv overhead power line Well No. A-4 in Section 22,
attached plat	t.			th is 3,120', as shown on the
An archaeol	ogical survey has be	en performed. A survey	report will be forward	ied.
			•	
	•			
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	to spregoing is true and correct	Title ENGINEE	!R	Dute <u><u><u>y</u>/13/99</u></u>
Signed (This space for Federa	I or State office une)			
Approved by Conditions of approval	MUL HAL	A Title ACHING!	nela Marage	<u>7</u> Daw <u>5/1/99</u>

Title 18 U.S.C. Section 1001, makes 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 in jurisdiction.

SECTION 22, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO



BLM Sorial Number <u>NIM - 05612-A</u> Company Reference <u>Marathon Dic Co.</u> Undian Basin A Fed. #4

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

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 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. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Powerlines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Powerlines," Raptor Research Foundation, Inc., 1981. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "raptor safe." Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

(over)

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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. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinguishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. 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 actions to prevent the loss of significant 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.

11. Special Stipulations: Note.



FORM 2800-14 (August 1985)

Issuing Office Caflen Flein Office

UNITED STATES DEPARTMENT OF THE INTERIOR 1999 AUG 30 A 11:44 BUREAU OF LAND MANAGEMENT RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT CE LAND MGMT. SERIAL NUMBER: NM NM-102263

- A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act 1. of 1920, as amended (30 U.S.C. 185).
- Nature of Interest: 2.
 - By this instrument, the holder: a.

Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552

receives a right to construct, operate, maintain, and terminate two 4-inch surface flowlines, on Federal lands described as follows:

A - HIB T. 21 S., R. 23 E., NMPM Section 15, NE%SW%, W%SE%; Section 22, NKNEX.

The lands described above aggregate a total length of 0.886 of a mile.

- The right-of-way or permit area granted herein is 50 feet wide, 4,679.0' feet long and contains 5.371 acres more or less. If a site type facility, the ь. facility contains N/A acres.
- August 30, 2029 , 30 years from This instrument shall terminate on its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this c. instrument or of any applicable Federal law or regulation.
- This instrument may be renewed. If renewed, the right-of-way or permit shall d. be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this е. instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.
- Rental: 3.

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

- Terms and Conditions: 4.
 - This grant or permit is issued subject to the holder's compliance with all а.

applicable regulations contained in Title 43 Code of Federal Regulations part 2880.

- b. Upon grant termination by the authorized officer, all improvements shall be removed from the Federal lands within 90 days, or otherwise disposed of as provided in paragraph (4)(c) or as directed by the authorized officer.
- c. The stipulations, plans, maps, or designs set forth in Exhibits A, B & C, dated May 10, 1999, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- d. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- e. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-ofway grant or permit.

(Signature of Holder)

 $X = \frac{\text{E. C. POTTER, ATTORNEY-IN-FACT}}{(Title)}$ X = 0% - 2(-9%)(Date)

gnature of Authorized Officer)

Acting Manager Corlebed Field Office

Acting Manager, Carlsbad Field Office (Title) AUG 3 0 1999

(Effective Date of Grant)

EXHIBIT A (May 10, 1999)

BLM Serial Number: NM-102263 Company Reference: Indian Basin Well No. A-4

SURFACE INSTALLED PIPELINE STIPULATIONS FOR THE Carlsbad Field Office, BLM

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

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 U.S.C. 2601, *et. seq.*) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this 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 the right-of-way holder's activity 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. 2803**2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from fire or soil movement (including landslides and slumps as well as wind and water caused movement of particles) 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.

Exhibit A NM-102263

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 of in which the damage of injury occurred.

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

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline or related facilities, any oil, brine, or other pollutant should be discharged from the pipeline or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil, brine, 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 to Federal lands resulting therefrom, the Authorized Officer, BLM, may take such measures as deemed necessary to control and cleanup 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 liability or responsibility.

6. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way within the authorized right-of-way width of 30 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. The pipeline will be "snaked" around any hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried a minimum of 30 inches under all roads, including "two-tracks" and trails. Burial will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of the construction, shall be returned to at least its former state, with no bumps, dips, or soft spots 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 impacted improvements to at least their former state. The holder shall contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence will 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, BLM.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

12. 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" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is <u>Carlsbad Canyon</u> (formerly sandstone brown), Munsell Soil Color Chart Number <u>2.5Y 6/2</u>.

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13. The holder shall post signs designating the BLM serial number, <u>NM-102263</u>, assigned to this right-of-way grant at the following locations: the points of origin and completion, or entry to and exit from public lands, of the right-of-way and at all major road crossings. These signs will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the term of the right-of-way.

14. The holder shall not use the right-of-way as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer, BLM, in consultation with the holder. The holder shall take whatever steps are necessary to ensure that the right-of-way 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 the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer, BLM. The 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 actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

16. Rights-of-Way, pads, mine sites, and construction areas will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle, and salt cedar.

17. Special Stipulations:

The pipeline will be encased over Bone Tank Draw to mitigate against pipeline ruptures/leaks.

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