

13 POINT SURFACE USE PLAN

Attached to Form 3160-3
Bonneville Fuels Corporation
Avalon "10" Federal #22
1980' FNL & 1980' FWL,
Sec 10, T.21S., R.26E. NMPM
Eddy County, New Mexico

The proposed location was surveyed and staked by John West Engineering, and surveyed for archaeological impacts by Southern New Mexico Archaeological Services, Inc. on 10/4-5/2000. An On-Site Surface Inspection was conducted by Mr. Barry Hunt (a Surface Management Specialist with the Carlsbad Area office of the Bureau of Land Management - also representing the Bureau of Reclamation) on 10/4/2000. **No significant topographical, archaeological, faunal or botanical limitations and/or obstacles to the development of this well site were identified or indicated by John West Engineering, Southern New Mexico Archaeological Services, or Mr. Barry Hunt.**

1. EXISTING ROADS:

Exhibit 'A' attached is a Topographic and Vicinity Map created from a splice of two USGS Quadrangle Maps (the Lake MacMillan South Quad and the West Carlsbad Quad). The map indicates the existing/proposed wells (6 existing & 2 proposed gas wells, 3 existing and 4 additional proposed oil wells, 1 existing and 1 proposed water wells, and an existing salt water disposal well) and existing/proposed roads within a 1-Mile Radius around the proposed Avalon "10" Federal #22 oil well. Also indicated on this map is the proximity of the northern limit of incorporation of the City of Carlsbad (approx. 1.456 miles SE of the proposed drill-site).

Exhibit 'B' attached is a Vicinity Map prepared by John West Engineering showing the location of the well relative to the entire City of Carlsbad. Both of these maps indicate the proximity of Avalon Lake. The Avalon Dam Site is approx. 1.690 miles SSE of the proposed drill site.

DIRECTIONS:

- a. From the intersection of US 285 and US 62/180 in the City of Carlsbad (downtown) proceed approx. 6.5 miles NNW on US 285 to mile marker 40 (the BROWN road on Exhibits 'A', 'B' & 'C-#1').
- b. Turn north (right) and proceed approx. 0.75 miles north on field road to 1st intersection. Turn east (right) and proceed east approx. 0.33 miles to 2nd fork in road. Turn northeast (left fork) to the Devon Energy Fed. State COM 10-#1 salt water disposal well in NW SW of Section 10. Turn south (right) across location approx. 0.1 miles. Then proceed SE approx. 0.3 mi. and enter Lake Shore Fed. S.C. 10-#3 location. These are all existing maintained caliche roads (the roads that are colored GREEN on Exhibits 'A', 'B' & 'C-#1').

2. PLANNED NEW ACCESS ROAD:

Then turn north along the east side of the Lake Shore Fed. S.C. 10-#3 and Avalon 10 Fed. #23 well-sites and proceed north approx. 1,100 to SE entrance onto the new Avalon "10" Federal #22 location (Yellow on Exhibits "A", "B" and "C-#1"). The access road will have a two low-water crossing swails compacted where E-W drainages carry run-off across the road to the east. The new access road will be constructed with a crown of crushed caliche compacted from 9" loose to 6" compacted and a 6" - 12" bar-ditch on the west side of the road to carry run-off to the low-water crossings. The road will be 15' wide with a 60' entrance onto the Avalon "10" Fed. #22 location. Turn-outs and water bars will be constructed to BLM specifications where required in the APD stipulations.

3. EXISTING AND PROPOSED WELLS WITHIN A 1-MILE RADIUS:

Exhibit 'A' shows wells BFC has been able to identify in the area covered by this map south and west of the Pecos River and Avalon Lake. The 1-mile radius of required investigation is indicated in ORANGE outline. Known gas wells, oil wells, a salt water disposal well, and various abandoned oil/gas wells are shown inside and outside the 1-mile radius, and are labeled GW, OW, SWD and AW respectively. Proposed gas wells, oil wells, and water wells that BFC is aware of in the 1-mile radius are labeled PGW, POW and PWW respectively.

Exhibit 'C'-#2 is a Well Location and Acreage Dedication Survey Plat (New Mexico Form C-102) for the proposed Avalon "10" Federal #22 oil well prepared by John West Engineering.

a. There are six (6) producing gas wells and two (2) additional proposed gas wells within a 1-mile radius of the proposed Avalon "10" Federal #22 well. These wells are colored RED on Exhibit 'A' and are labeled GW and PGW, respectively.

c. There are three (3) producing and four (4) additional proposed oil wells within a 1-mile radius of the proposed Avalon "10" Federal #22 oil well. These wells are colored GREEN on Exhibit 'A' and are labeled OW and POW, respectively.

d. There is one (1) existing and one (1) proposed water wells within a 1-mile radius of the proposed Avalon "10" Federal #22 well. These wells are colored BLUE on Exhibit 'A' and are labeled WW and PWW, respectively.

e. There is one (1) existing salt-water disposal well within a 1-mile radius of the proposed Avalon "10" Federal #22 well. This well is indicated in black with an arrow thru the well symbol and is labeled 'SWD' on Exhibit 'A'.

e. There are NO abandoned wells within a 1-mile radius of the proposed Avalon "10" Federal #22 well.

4. PROPOSED PRODUCTION FACILITIES:

Bonneville Fuels Corporation has NO existing production facilities on this proposed well-site at this time. Exhibit 'D' shows the location of a proposed tank battery, production facilities and Low Pressure(LP) natural gas gathering for the proposed Avalon "10" Federal #22 well.

The Special Lease Stipulations for NM 3606 (4 Pages with appropriate portions highlighted) are attached as Exhibit 'E', pages 1 thru 4. The surface use regulation of the lands on which this proposed wellsite lies has been 'withdrawn' from the BLM to the administration of the Bureau of Reclamation because of the proximity of the Avalon Lake and Dam Sites. There are two basic stipulations in the lease (attached) - that all storage tanks be located at or above an elevation of 3194' MSL and that all drill pads be above 3180' MSL.

The planned finished location grade for the well is 3197'+ MSL. The Tank Battery Pad will be on location and the crest of the retention dikes are planned to be at 3201' MSL.

a. Should the well prove productive then necessary gas handling facilities (a three phase HP separator, a two-phase LP separator and a check meter facility) will be placed on the production pad as shown on Exhibit 'D'. The production pad finished grade will be at 3197' MSL. This production pad is planned to be 30' wide by 50' long and will be underlined with a 30-mil liner and bermed with a 2' tall caliche berm to contain any potential spills and to prevent soil and/or groundwater contamination.

b. Should the well be productive of oil and/or water then the storage facilities will be placed on the tank battery pad as shown on Exhibit 'D'. The tank battery pad finished grade will be at 3197' MSL and will be 30' wide by 80' long with a 30-mil liner and bermed with a 4' tall caliche berm to contain any potential spills and to prevent soil and/or groundwater contamination. Actual well productivity, safety, and environmental considerations will determine the constructed configuration/size of tanks in the proposed tank battery facility. Tank battery fire walls will be a minimum height above the Tank Battery Pad grade in order to contain sufficient volume to provide storage for ALL tank contents with 1' of free board.

c. A low pressure (LP) natural gas pipeline will be constructed from this wellsite running south approx. 1100' onto the Avalon "10" Federal #23 wellsite. The proposed pipeline (gathering line) ROW was approved by the Bureau of Reclamation (Contract 1-LM-4L-08270) for the proposed Lake Shore Fed. S.C. 10- #4 well. A copy of this ROW is attached as Exhibit 'F'. The proposed LP gathering line will be placed within the ROW of the previously approved pipeline ROW. This LP gas pipeline will convey gas from the planned Avalon "10" Federal #22 well to the LP gathering system central compressor pad on the Avalon "10" Federal #23 wellsite. The HP gas line will only be installed if needed.

5. LOCATION AND TYPE OF WATER SUPPLY:

a. FRESH WATER: BFC plans use a properly permitted water well at the Lake Shore Fed. S.C. 10-#3 well-site to provide fresh water for the drilling of this well. A local water hauling service (water purchased from a municipal/agricultural seller) will be used to provide any supplemental water needs.

b. BRINE WATER: BFC plans to obtain brine water for drilling, if needed through a local water hauling source by direct purchase.

6. SOURCE OF CONSTRUCTION MATERIALS:

Exhibit 'G' presents the Construction (Cut and Fill) Plan for the site. Required cuts and fills are identified. Top-Soil and Pit Spoils stockpiles from reserve pit construction are also shown.

a. CALICHE ROCK FOR TOPPING: This material will be obtained during cut-and-fill operations at the drill pad and reserve pit excavation. Additional caliche/sand/gravel will be hauled from commercial pits.

b. WATER FOR COMPACTION: Hauled in per 5.a. above.

7. METHODS OF HANDLING WASTE DISPOSAL:

a. The reserve pit will be lined with a 12 mil plastic liner to prevent ground water contamination. Drill cuttings and fluids will be disposed of in the reserve pit. The drilling fluids will dry by evaporation until the resulting fill is dry enough to walk on. The liner above the dry mud level will then be removed to a sanitary land fill. The remaining pit volume will be closed with clean dry fill (Pit Spoils and Top Soil - see Exhibit 'G'). The reserve pit will be fenced thruout operations.

b. Human waste will be stored in septic facilities and pumped and hauled to sewage facilities.

c. Trash will be stored on-site in a container to prevent wind litter. Trash will then be hauled to a sanitary land fill. Containers subject to MSDS restrictions will be cleaned out and returned to vendors. Rig junk (wire rope, etc.) and metal waste will be removed with the drilling rig.

d. Produced water will be collected in pits/test tanks and hauled to a licensed and regulated produced water disposal facility.

e. Produced oil will be stored on site in test tanks until production facilities are installed and it can be legally sold. Waste oil will be collected and hauled to a waste oil recycler.

8. ANCILLARY FACILITIES:

Exhibit 'H' indicates the location of rig equipment during drilling operations. Also shown on Exhibit 'H' are the trailers required to provide 24-hour supervision during the drilling of this well.

a. Exhibit 'H' indicates camp/trailer facilities required on-site to provide 24-hour site supervision. All trailers will have septic tanks.

b. Exhibit 'I' indicates the location of H2S briefing and warning facilities required by the presence of H2S gas in some of the producing strata to be encountered in the drilling of this well. The H2S Safety Plan is presented as Exhibit #3 to the 8-Point Drilling Plan.

9. WELLSITE LAYOUT:

a. Exhibit 'H' presents the proposed layout of drilling equipment at the wellsite. Well control equipment is highlighted on Exhibit 'H'.

b. Exhibit 'I' indicates the location of H2S briefing and warning facilities required by the presence of H2S gas in some of the producing strata to be encountered in the drilling of this well. The H2S Safety Plan is presented as Exhibit #3 to the 8-Point Drilling Plan.

c. Exhibit 'G' indicates the proposed cut-and-fill limits of the planned facility. **A 400'N-S x 400'E-W area was surveyed and cleared (archaeology/flora/fauna) which is larger than anticipated construction disturbance and site safety requirements.** The reserve pit will be lined with a minimum 12-mil plastic liner.

10. PLANS FOR THE RESTORATION OF THE SURFACE:

a. The reserve pit will be fenced with 4 strand barbed wire thruout drilling and completion operations. Fencing will only be removed for reclamation operations. The flare pit will be back-filled as soon as completion and testing operations are ended.

b. The drill site will be kept clean and free of trash/pollution thruout drilling, completion, and production operations thruout the life of the well.

c. When the reserve pit is dry the barbed wire fence and posts will be removed and the liner will be cut above the mud-line and hauled to disposal. The pit spoils will then be used to fill the reserve pit and recontour it as nearly as possible to the original topography. The pit surface will then be harrowed parallel to elevation contour and re-seeded with the specified BLM mix parallel to the land contour.

10. PLANS FOR THE RESTORATION OF THE SURFACE: Continued:

d. When the well has been judged to be non-productive, or no longer productive, but AFTER the reserve pit has dried out and is ready to fill or has already been filled, all surface production, drilling and completion equipment will be removed to a depth sufficient to facilitate effective reclamation. Then the entire site will be recontoured as nearly as possible to the original topography. The entire location surface will then be cross-ripped with the last pass parallel to elevation contour. The new portion of the access road (constructed for this well) will be back-ripped 2 times IF no additional planned wells are still producing and using this road for access. Then the well-site and access road (if necessary) will be re-seeded with the specified BLM mix parallel to the elevation contour of the site.

11. OTHER INFORMATION: ARCHAEOLOGICAL RESOURCES:

a. TOPOGRAPHY: The land surface at this site is a hillside sloping gradually to the east (see Exhibit 'A'). The location is to be built on this gently sloping hillside.

b. SOILS: Limestone cobbles and gravels (occasional cherts) on an arid thin desert soil underlain by caliche/limestone bedrock. Aridisol and Desert Pavement on Caliche Base w/ occasional loams in deeper fills derived from older alluvium.

c. FLORA AND FAUNA: Creosote and Javelina shrubs, Snakeweed, with variety of Upper Chihuahuan Cacti. Sparse assorted grasses and acacia. Mule and White-Tail Deer, Mountain Lion, Rabbits, Skunks, Voles and Snakes are found in this area. NO ENDANGERED or THREATENED species are present.

d. SITE ARCHAEOLOGY: An archaeological survey of the proposed well-site, access road, and the proposed pipeline was conducted by Southern New Mexico Archaeological Services, Inc. (Bent, NM) on 10/4/2000 and 10/5/2000. The site report is attached as Exhibit 'J' (Report NM-403). This report covers the north ½ of the access road. A single isolated artifact was found on the proposed drill-site.

The south ½ of the access road is addressed in Exhibit 'K' (Report NM-404). The access road runs between the SE corner of the Avalon "10" Federal #22 well pad and the NE corner of the Avalon "10" Federal #23 well pad (a straight line and a distance of approx. 1084': a distance calculated from a survey of the section). The pipeline report is attached as Exhibit 'L' (Report NM-407). This pipeline ROW is parallel, adjacent & partially overlapping with the access road ROW. No archaeological resources were identified along the proposed course of the access road and pipeline in any of the 3 archaeological surveys.

12. SURFACE AND MINERAL OWNERSHIP:

a. All of the surface location of the proposed well-site, and all of the rights-of-way for the proposed access road and pipeline for the proposed Avalon "10" Federal #22 well-site, is owned by the Federal Government of the United States of America. The Bureau of Reclamation is the surface use administrator.

b. The minerals underlying the SE NW (40 ac.) of Section 10, T.21S., R.26E., NMPM, Eddy County, New Mexico are owned by the Federal Government of the United States of America. The Bureau of Land Management is the minerals administrator.

The planned well pad, reserve pit, access road and natural gas pipeline are the only facilities that require Federal approval.

13. OPERATOR'S REPRESENTATIVE:

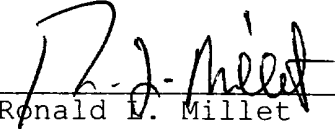
The Operator's Representative responsible for the administration, construction, drilling, completion, testing, production and reclamation of this site is:

Mr. Ronald L. Millet
Drilling Manager
BONNEVILLE FUELS CORPORATION
1700 Broadway, Suite 1150
Denver, Colorado 80290
Office: (303) 863-1555 ext. 204; Fax: (303) 863-1558
Cell: (303) 916-4062; Home: (303) 841-7604
ON CALL 24 Hours or ON-SITE.

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access routes; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bonneville Fuels Corporation and its contractors and subcontractors in conformity with this plan and the terms & conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

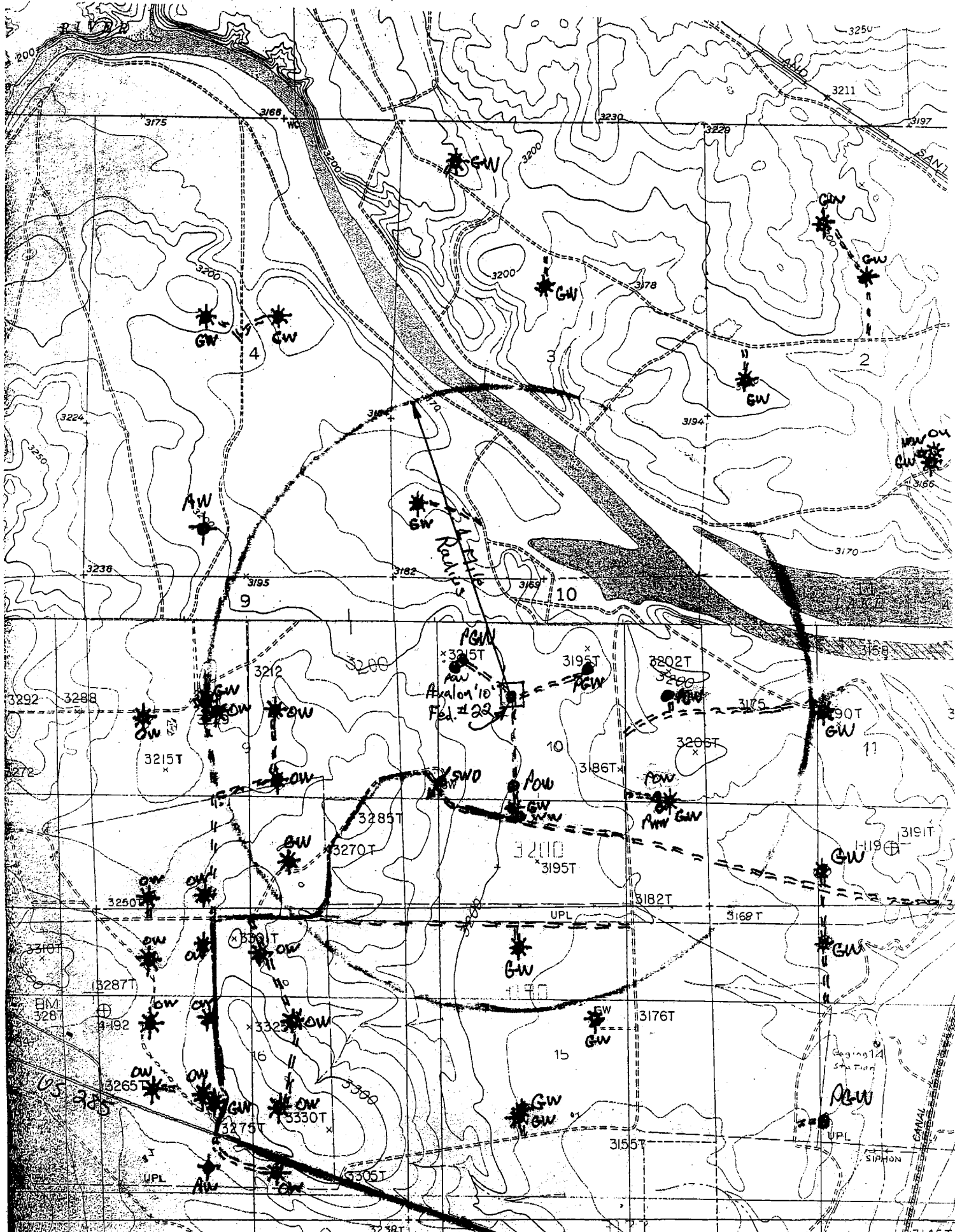
Date: 1/19/01

Signature: 

Ronald L. Millet
Drilling Manager
Bonneville Fuels Corporation

EXHIBIT 'A': Topographic & Vicinity Map Avalon '10' Federal #22

1 Mile



☆ GW: Gas Well

☆ OW: Oil Well

○ ww: Water Well

✱ SWD: Salt-Water Disposal
Injection Well

✱ AW: Abandoned Well

○ PGW: Proposed Gas Well

○ POW: Proposed Oil Well

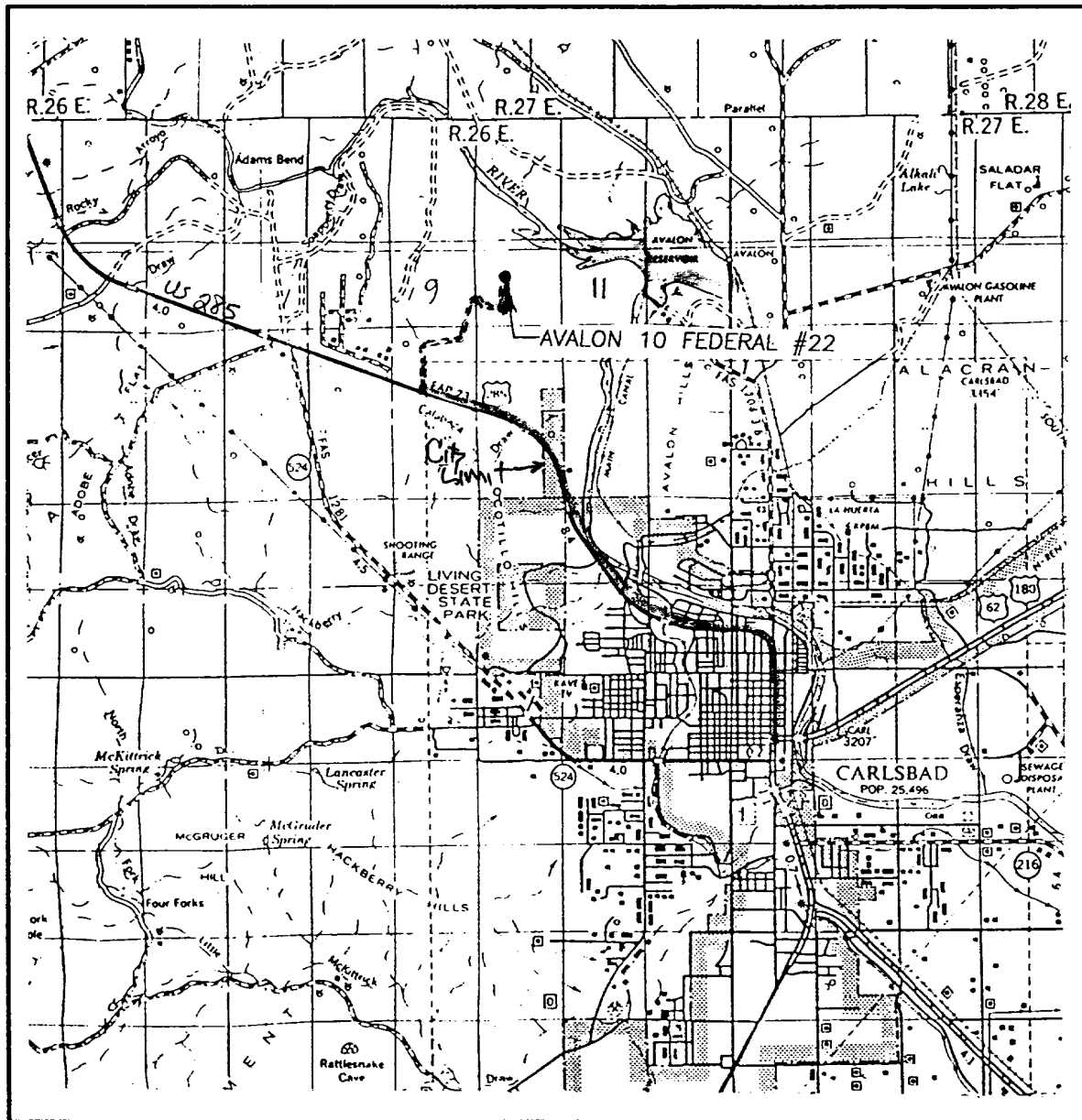
○ PWW: Proposed Water Well

City of Carlisle



AVL ON '10' FEDERAL #22
VICINITY MAP

EXHIBIT 'B'



SCALE: 1" = 2 MILES

SEC. 10 TWP. 21-S. RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FNL & 1980' FWL

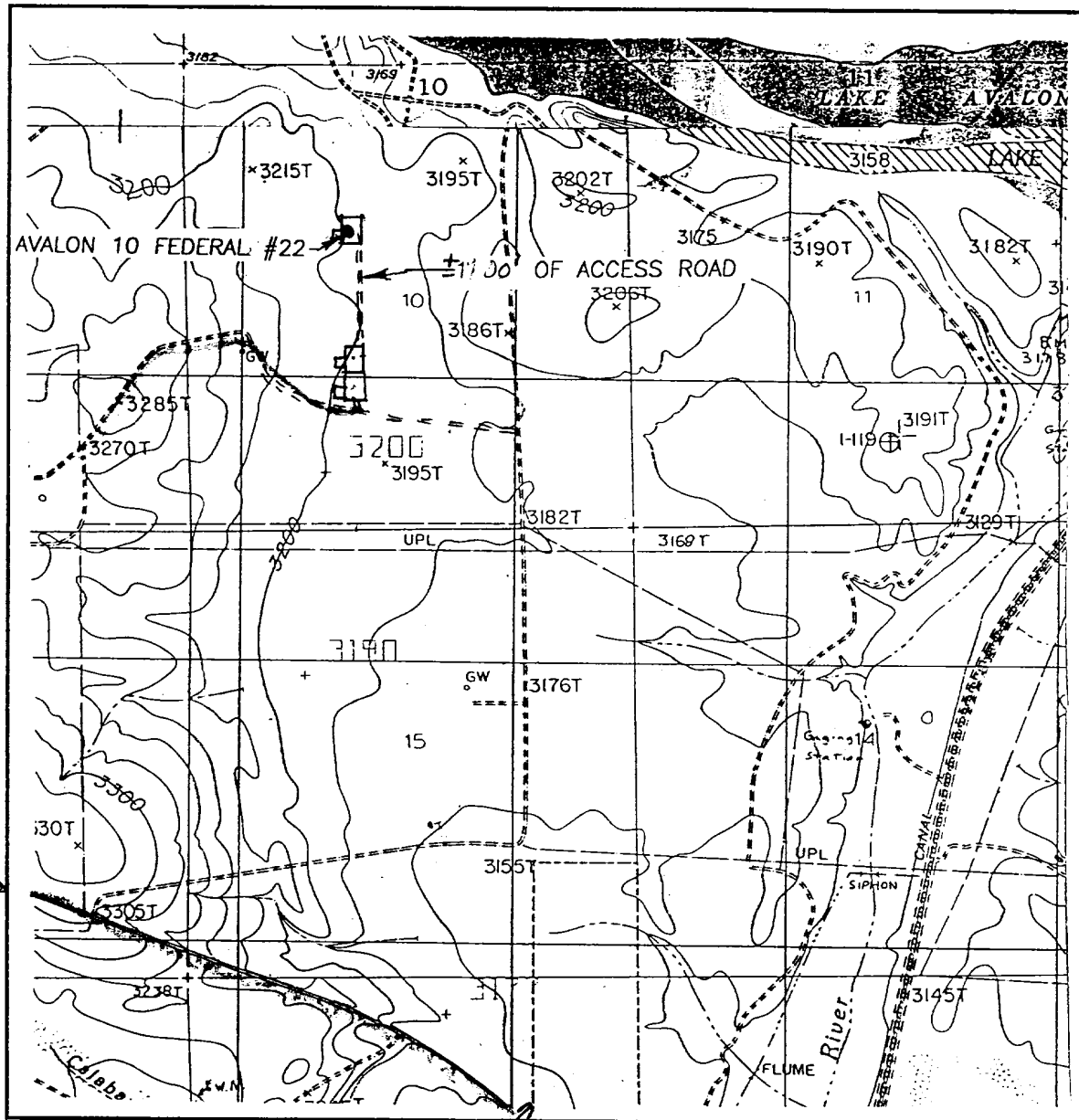
ELEVATION 3199

OPERATOR BONNEVILLE FUELS

LEASE AVALON 10 FEDERAL #22

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

EXH 3T C-#1'
LOCATION VERIFICATION MAP
 AVALON '10' FEDERAL #22



SCALE: 1" = 2000'

CONTOUR INTERVAL:
 CARLSBAD WEST, N.M. - 10'

SEC. 10 TWP. 21-S RGE. 26-E

SURVEY _____ N.M.P.M.

COUNTY _____ EDDY

DESCRIPTION 1980' FNL & 1980' FWL

ELEVATION _____ 3199

OPERATOR _____ BONNEVILLE FUELS

LEASE _____ AVALON 10 FEDERAL #22

U.S.G.S. TOPOGRAPHIC MAP

CARLSBAD WEST, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1380

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

EXHIBIT 'C-#2'
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Avalon: Delaware O.I.</i>
Property Code	Property Name AVALON "10" FEDERAL	Well Number 22
GRID No. <i>002678</i>	Operator Name BONNEVILLE FUELS	Elevation 3199

Surface Location

UL or lot No. F	Section 10	Township 21 S	Range 26E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <i>40.69 ac.</i>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>R.A. Schwenn</i> Signature R.A. Schwenn Printed Name Production Manager Title 1/16/2001 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. OCTOBER 3, 2000 Date Surveyed LMP Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 00-11-1232 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12185

XHICIT 'E' 2-11/
Special Lease Stipulations
NM 3606



United States Department of the Interior
BUREAU OF RECLAMATION

SOUTHWEST REGION
HERRING PLAZA BOX 11-4377
AMARILLO, TEXAS 79101

IN REPLY
REFER TO: 420

773

FEB 12 1975

Memorandum

To: Chief, Branch of Oil and Gas, Bureau of Land Management,
Santa Fe, New Mexico

FROM: Regional Director

Subject: Oil and Gas Lease NM 3606--Carlsbad Project, New Mexico

When subject oil and gas lease was issued December 1, 1967, we inadvertently inserted an old special stipulation which reads:

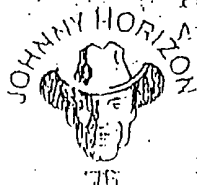
"Drilling to be prohibited within one half mile of any dam, dike or other major structure, and within 150 ft. of the center line of any canal, lateral or drain connected with the project. Drilling to be prohibited within an area established by a line 300 ft. beyond the high water line of Avalon Reservoir, said high water line being defined as Contour 3100, which Contour is 2.0 ft. above the crest of Spillway No. 1 (See page 322 USGS Water Supply Paper 893)."

This stipulation is more stringent than the standard stipulation form which has been used since 1963. Accordingly, we suggest you issue an amendment to subject lease and insert the enclosed form R5-43 in lieu of the above-quoted special stipulation.

Neil B. [Signature]

Enclosure

cc: Mr. James A. Knapp
District Engineer
U.S. Geological Survey
Post Office Drawer U
Artesia, New Mexico 88210
(w/c enclosure)



76

-EXHIBIT 'E' 1a - 2/4
Special Lease Stipulations
NM 3606

85-43
(2-11-64)

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 operation and maintenance of the Carlsbad (Avalon Reservoir) dam and reservoir project.
2. All surface work performed by the lessees on the lands shall be under the general supervision of the Regional Director, Bureau of Reclamation, in direct charge of the project, and 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, in accordance with 30 CFR, Part 221. The authorized representatives of the Bureau of Reclamation and of the Geological Survey shall have the right to enter on the leased premises at any time to inspect both the installation and operational activities of the lessees.
3. No wells shall be drilled for oil or gas below the conservation pool elevation of 3177.4 * feet, except upon written permission of the Regional Director, provided, however, that there will be no objection to such drilling by directional methods from adjacent areas above the 3177.4 * foot elevation; on the condition that such drilling operations are subject to appropriate restrictions to prevent pollution of the reservoir, with operation and maintenance of the reservoir and to prevent interference.
4. All storage tanks shall be constructed above elevation 3194.0 * 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 2,640 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.

* Conservation pool elevation for the appropriate reservoir
maximum water surface of the appropriate reservoir

Address: Regional Director
Bureau of Reclamation
P. O. Box 1609
Amarillo, Texas

Address: Regional Oil and Gas Supervisor
Geological Survey

-XH.3IT'E' Page 3/4
Special Lease Stipulations
NM 3606

BUREAU OF LAND MANAGEMENT

LEASE FOR OIL AND GAS

(Sec. 17 Noncompetitive Public Domain Lease)

Act of February 25, 1920 (41 Stat. 437), as amended (30 U.S.C. Sec. 181)

RECEIVED

BUREAU OF LAND MANAGEMENT

LAND OFFICE SANTA FE, N.M.

NOV 13 1967

HOUR 10:00 A.M.

Lessee: Gilbert E. Dehler

Address: 138 No. Parkway

City: Columbus, Nebraska 68601

State: Nebraska

Zip Code: 68601

NM 3606

This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Lands included in the lease:

- T. 21 S., R. 26 E., NE 1/4, New Mexico
Sec. 2:
1: Lot 12
2: NW 1/4 SW 1/4, S 1/2 SW 1/4
3: Lots 15, 16, SE 1/4
4: NE 1/4 NE 1/4
5: SE 1/4 NE 1/4, NE 1/4 SE 1/4, W 1/2 SE 1/4, E 1/2 NW 1/4, NW 1/4 NW 1/4
6: S 1/2 NW 1/4, N 1/2 SE 1/4, SW 1/4 SE 1/4
7: E 1/2 SW 1/4, W 1/2 SE 1/4, SE 1/4 SE 1/4
8: SE 1/4 NW 1/4, NE 1/4 SW 1/4

subject to the determination by the Survey as to whether the lands herein were on a known geologic structure of oil or gas field as of the date of sign- by the authorized officers who not within a known Geologic Structure on date of lease issuance.

For the Director
U. S. Geological Survey

Containing a total of 1440 acres

Annual Rental \$ 720.00

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas Entry Card" application filed under 43 CFR 3123.9, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease: December 1, 1967

THE UNITED STATES OF AMERICA

By Fred E. Padilla, Chief
Branch of Oil and Gas

NOV 1 1967

(Date)

(Time)

NOTED
Acreage
Control
Date
10/23/67

EXHIBIT 'E' Page 4/4
Special Lease Stipulations
NM 3606

Form 3103-1
(June 1964)
(Formerly 4-467)

RECEIVED
BUREAU OF LAND MANAGEMENT
UNITED STATES OFFICE SANTA FE, N. M.
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
JUN 19 1967

NM 3606
Oil and Gas

4.10h

LEASE STIPULATION: 10:00 A.M.
BUREAU OF RECLAMATION

The lessee agrees to maintain, if required by the lessor during the period of this lease, including any extension thereof, an additional bond with qualified sureties in such sum as the lessor, if it considers that the bond required under Section 2(a) is insufficient, may at any time require:

(a) to pay for damages sustained by any reclamation homestead entryman to his crops or improvements caused by drilling or other operations of the lessee; such damages to include the reimbursement of the entryman by the lessee, when he uses or occupies the land of any homestead entryman, for all construction and operation and maintenance charges becoming due during such use or occupation upon any portion of the land so used and occupied;

(b) to pay any damage caused to any reclamation project or water supply thereof by the lessee's failure to comply fully with the requirements of this lease; and

(c) to recompense any nonmineral applicant, entryman, purchaser under the Act of May 16, 1930 (46 Stat. 367), or patentee for all damages to crops or to tangible improvements caused by drilling or other prospecting operations, where any of the lands covered by this lease are embraced in any non-mineral application, entry, or patent under rights initiated prior to the date of this lease, with a reservation of the oil deposits, to the United States pursuant to the Act of July 17, 1914 (38 Stat. 509).

As to any lands covered by this lease within the area of any Government reclamation project, or in proximity thereto, the lessee shall take such precautions as required by the Secretary to prevent any injury to the lands susceptible to irrigation under such project or to the water supply thereof; provided that drilling is prohibited on any constructed works or right-of-way of the Bureau of Reclamation, and provided, further, that there is reserved to the lessor, its successors and assigns, the superior and prior right at all times to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, and reclamation works, in which construction, operation, and maintenance, the lessor, its successors and assigns, shall have the right to use any or all of the lands herein described without making compensation therefor, and shall not be responsible for any damage from the presence of water thereon or on account of ordinary, extraordinary, unexpected, or unprecedented floods. That nothing shall be done under this lease to increase the cost of, or interfere in any manner with, the construction, operation, and maintenance of such works. It is agreed by the lessee that, if the construction of any or all of said dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone or telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures or reclamation works across, over, or upon said lands should be made more expensive by reason of the existence of the improvements and workings of the lessee thereon, said additional expense is to be estimated by the

Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States, or its successors, constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, or reclamation works, across, over, or upon said lands; provided, however, that subject to advance written approval by the United States, the location and course of any improvements or works and appurtenances may be changed by the lessee; provided, further, that the reservations, agreements, and conditions contained in the within lease shall be and remain applicable notwithstanding any change in the location or course of said improvements or works of lessee. The lessee further agrees that the United States, its officers, agents, and employees, and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works hereinabove enumerated. Nothing in this paragraph shall be construed as in any manner limiting other reservations in favor of the United States contained in this lease.

THE LESSEE FURTHER AGREES That there is reserved to the lessor, its successors and assigns, the prior right to use any of the lands herein leased, to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures, and also the right to remove construction materials therefrom, without any payment made by the lessor or its successors for such right, with the agreement on the part of the lessee that if the construction of any or all of such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or the removal of construction materials therefrom, should be made expensive by reason of the existence of improvements or workings of the lessee thereon, such additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States or its successors constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or removing construction materials therefrom. The lessee further agrees that the lessor, its officers, agents, and employees and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing contained in this paragraph shall be construed as in any manner limiting other reservations in favor of the lessor contained in this lease.

Drilling to be prohibited within one half mile of any dam, dike or other major structure, and within 150 ft. of the center line of any canal, lateral or drain connected with the project. Drilling to be prohibited within an area established by a line 300 ft. beyond the high water line of Avalon Reservoir, said high water line being defined as Contour 3180, which Contour is 2.0 ft. above the crest of Spillway No. 1. (See page 322 USGS Water Supply Paper 898).

(over)

(See Appendix 3)

JAN 7



IN REPLY REFER TO:

ALB-420
LND- 6.00

EXHIBIT A
United States Department of the Interior

BUREAU OF RECLAMATION
Albuquerque Area Office
505 Marquette N.W. Suite 1313
Albuquerque, New Mexico 87102-2162

cc: Bds S. 1/2
JAN 08 2001
Avalon '10' Fed #22

Ms. Sharon McDonald
Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver CO 80290

Subject: Pipeline License Lake Shore Federal S.C. 10-#4 to Lake Shore Federal S.C. 10-#3,
Section 10, Township 21 South, Range 26 East, New Mexico Principal Meridian, Eddy
County, New Mexico - Carlsbad Project

Dear Ms. McDonald:

The United States Bureau of Reclamation (Reclamation) has executed the enclosed license for the installation, operation and maintenance of a pipeline located in Section 10, Township 21 South, Range 27 East NMPM. Please retain a copy of the permit for your records. It is advisable to provide a copy to your construction crew to have available on site during construction and maintenance activities.

If you have any questions, please feel free to call me at (505) 248-5311, or in my absence Ms. Heather Demery at (505) 248-5393.

Sincerely,

Rik Arndt
Lead Realty Specialist

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Carlsbad Project
LICENSE TO USE RECLAMATION RIGHT-OF-WAY

THIS License is given this *4* day of *January* 200*0*, in pursuance of the Act of June 17, 1902 (32 Stat. 388) and Acts amendatory thereof or supplementary thereto, by THE UNITED STATES OF AMERICA, acting by and through its Bureau of Reclamation, Department of the Interior, represented by the duly authorized officer executing this License hereinafter styled the United States to:

Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver, Colorado 80290

hereinafter styled the "Licensee."

RECITALS:

WHEREAS, The United States through the Bureau of Reclamation (Reclamation) withdrew certain public lands in connection with the Carlsbad Project, Eddy County, New Mexico and is responsible for the operation and maintenance of the Project; and

WHEREAS, Reclamation has determined the requested use, to construct a road and to install a pipeline from proposed well number Lake Shore Federal S.C. 10-#4 to a common tie-in on the pad of Lake Shore Federal S.C. 10-#3 is not, at this time, incompatible with the purpose for which the land was obtained.

IT IS AGREED:

1. Reclamation does, through the duly authorized officer executing this License, hereby consent to Licensee's request to enter onto public lands withdrawn for Reclamation for the purpose of, constructing a road and installing a pipeline from proposed well number Lake Shore Federal S.C. 10-#4 to a common tie-in on the pad of Lake Shore Federal S.C. 10-#3, subject to the terms and conditions herein written:

said lands being 2594.8 feet in length by 50 feet in width are located in the Southeast quarter of the Northwest quarter (SENW) and the Northeast quarter of the Southwest quarter (NESW) of Section 10 being a portion of the Carlsbad Project, in Township 21 South, Range 26 East, M.D.B.M. in Eddy County, New Mexico. The area is shown in the attached "Exhibit A", and made a part hereof.

2. This permission given herein shall neither constitute nor be construed as any surrender of the jurisdiction and supervision of the United States over the lands described herein.

3. The Licensee hereby agrees to indemnify and hold harmless the United States, their employees, agents, and assigns from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death arising out the Licensee's activities under this License.

3/C

4. Reclamation has appraised the value of the right-of-use fee in accordance with 43 CFR 429.4 and established the value at \$ 1,585.00. In addition, the Licensee shall pay a fee for the administrative costs associated with this License, said fee is set at \$250. Licensee shall submit to Reclamation a check payable to the Bureau of Reclamation in the amount of \$1,835.00.
5. This License is granted subject to the existing rights in favor of the public or third parties for highways, roads, railroads, telegraph, telephone and electrical transmission lines, canals, laterals, ditches, flumes, siphons, and pipelines on, over, and across said land.
6. This License is personal, revocable, and nontransferable and shall become effective on the date hereinabove written and unless otherwise sooner terminated, shall continue for 10 years, and will continue so long as in the opinion of Reclamation it is considered expedient and not detrimental to the public interest. The Licensee will leave the site(s) in a condition satisfactory to Reclamation.
7. This License may be revoked by Reclamation upon written notice to the Licensee if:
 - (a) The Licensee's use of the land interferes with existing or proposed facilities; or
 - (b) The land contained in the License is needed for any United States purpose; or
 - (c) The United States disposes of its interest in the land contained in this License; or
 - (d) The Licensee fails to comply with any other terms or conditions of this License and upon notification of the violation, Licensee fails to adequately cure the violation in a timely manner. Reclamation will have the final determination regarding the adequacy of the cure.
8. The Licensee shall not:
 - (a) Store any hazardous materials on United States lands.
 - (b) Use water from the Carlsbad Project features, including but not limited to Avalon Reservoir for activities related to the subject project.
 - (c) Leave waste and debris on United States lands.
9. Upon termination of this license, either by cause or due to expiration from term, the Licensee shall remove all property placed on or within lands under Reclamation's jurisdiction and included within this License agreement, including the removal of the pipelines, pad linings, and any facilities constructed by the Licensee for the production, storage or transport of materials from the site.
10. The Licensee shall comply with all applicable water, ground, and air pollution laws and regulations of the United States, the State of New Mexico and local authorities. In addition the Licensee shall comply with the following hazardous materials restrictions:
 - (a) The Licensee shall comply with all applicable Federal, State, and local laws and regulations, and Reclamation policies and instructions, existing or hereafter enacted or promulgated, concerning any hazardous material that will be used, produced, transported, stored or disposed of on or in lands, waters or facilities owned by the United States or administered by Reclamation.
 - (b) "Hazardous material" means any substance, pollutant or contaminant listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601, et seq., and the regulations promulgated pursuant to that Act.
 - (c) The Licensee may not allow contamination of lands, waters or facilities owned by the United States or administered by Reclamation by hazardous materials, thermal pollution, refuse, garbage, sewage effluent, industrial waste, petroleum products, mine tailings, mineral salts, pesticides (including, but not limited to, the misuse of pesticides), pesticide containers or any other pollutants.
 - (d) The Licensee shall report to Reclamation, within 24 hours of its occurrence, any event which may or does result in pollution or contamination adversely affecting lands, water or facilities owned by the United States

4/c

or administered by Reclamation.

- (e) Violation of any of the provisions of this Article shall constitute grounds for immediate termination of this License and shall make the Licensee liable for the cost of full and complete remediation and/or restoration of any Federal resources or facilities that are adversely affected as a result of violation.
- (f) The Licensee agrees to include the provision contained in paragraphs (a) through (e) of this Article in any subcontract or third party contract it may enter into pursuant to this License.
- (g) Reclamation agrees to provide information necessary for the Licensee, using reasonable diligence, to comply with the provision of this Article.

11. CULTURAL RESOURCES. In the event cultural resources (including architecture, artifacts, and/or cultural debris of bone, shell, charcoal, or wood) are discovered during activities authorized herein, Licensee shall immediately cease work in proximity of the discovery location and contact the Reclamation archaeologist immediately at (505) 248-5363, giving location and nature of the findings. The Licensee shall exercise care so as not to disturb or damage the cultural materials discovered, and shall provide such cooperation and assistance as may be necessary to preserve the findings for removal or other disposition by the Government.

Discovery of Human Remains. Any person who knows or has reason to know that he or she has inadvertently discovered possible human remains on Federal lands, must provide immediate telephone notification of the inadvertent discovery to the Reclamation archaeologist at (505) 248-5363.

If the discovery occurred in connection with an activity, including (but not limited to) construction, mining, logging, and agriculture, the person shall cease the activity in the area of the discovery, make a reasonable effort to protect the items discovered, and wait for approval from the Reclamation archaeologist before resuming such activity. The requirement is prescribed under the Native American Graves Protection and Repatriation Act (P.L. 101-601; 104 Stat. 3042) of November 1990 and National Historic Preservation Act, Section 110(a)(2)(E)(iii) (P.L. 102-575, 106 Stat. 4753) of October 1992.

Destruction of Archaeological Resources. Any person who excavates, removes, damages, alters or defaces or attempts to excavate, remove, damage, or otherwise alter or deface any archaeological resource located on public lands or Indian lands is subject to a maximum of five years in prison and \$250,000 fine, as prescribed under Sections 6 and 7 of the Archaeological Resources Protection Act of 1979 (P.L. 96-95, 93 Stat. 721), as amended.

12. Licensee shall reseed the disturbed areas with a mixture of 1) Sand dropseed 1 pound per acre, 2) Lovegrass dropseed 1 pound per acre, and 3) Plains bristlegrass 2 pounds per acre.

13. All work shall be conducted in accordance with all applicable Federal, State of New Mexico, and local safety and environmental regulations and to the satisfaction of the Area Manager, Albuquerque Area Office, Bureau of Reclamation.

14. Reclamation reserves the right for their officers, employees, contractors and representatives, and assigns, to have ingress to and egress from said premises for the purpose of exercising, enforcing, and protecting the rights of Reclamation in and on the premises. The Licensee shall provide Reclamation personnel safe ingress and egress to the lands. The Licensee shall ensure access for Reclamation operation and maintenance needs during the times of construction and coordinate any closings of access with Reclamation's existing authorized users.

15. Access to United States land by the Licensee and their contractor(s) is restricted to the immediate vicinity of that portion described in Article 1 above.

16. Damage to Reclamation property, including but not limited to the service roads, access roads, culvert crossings, siphon barrel, farm bridge, fences gates and posts resulting from the Licensee's activities under this License shall be corrected promptly at Licensee's expense to the satisfaction of Reclamation.

5/c

17. No member of or delegate to Congress or the Resident Commissioner shall be admitted to any share or part of this License or to any benefit to arise therefrom, but this restriction shall not be construed to extend to this License if made with a corporation or company for its general benefit.

18. The Licensee warrants that no person or agency has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Licensee for the purpose of securing business. For breach or violation of this warranty, Reclamation shall have the right to revoke this License without liability or in its discretion to require the Licensee to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

IN WITNESS WHEREOF this License is given as of the date of execution written below.

UNITED STATES OF AMERICA



Area Manager
Albuquerque Area Office
Bureau of Reclamation

ACCEPTED:

The Licensee, and its authorized representatives, by signature below, agree to the terms and conditions above.

Bonneville Fuels Corporation

By: 

Todd S. McDonald, Vice President Exploration & Production

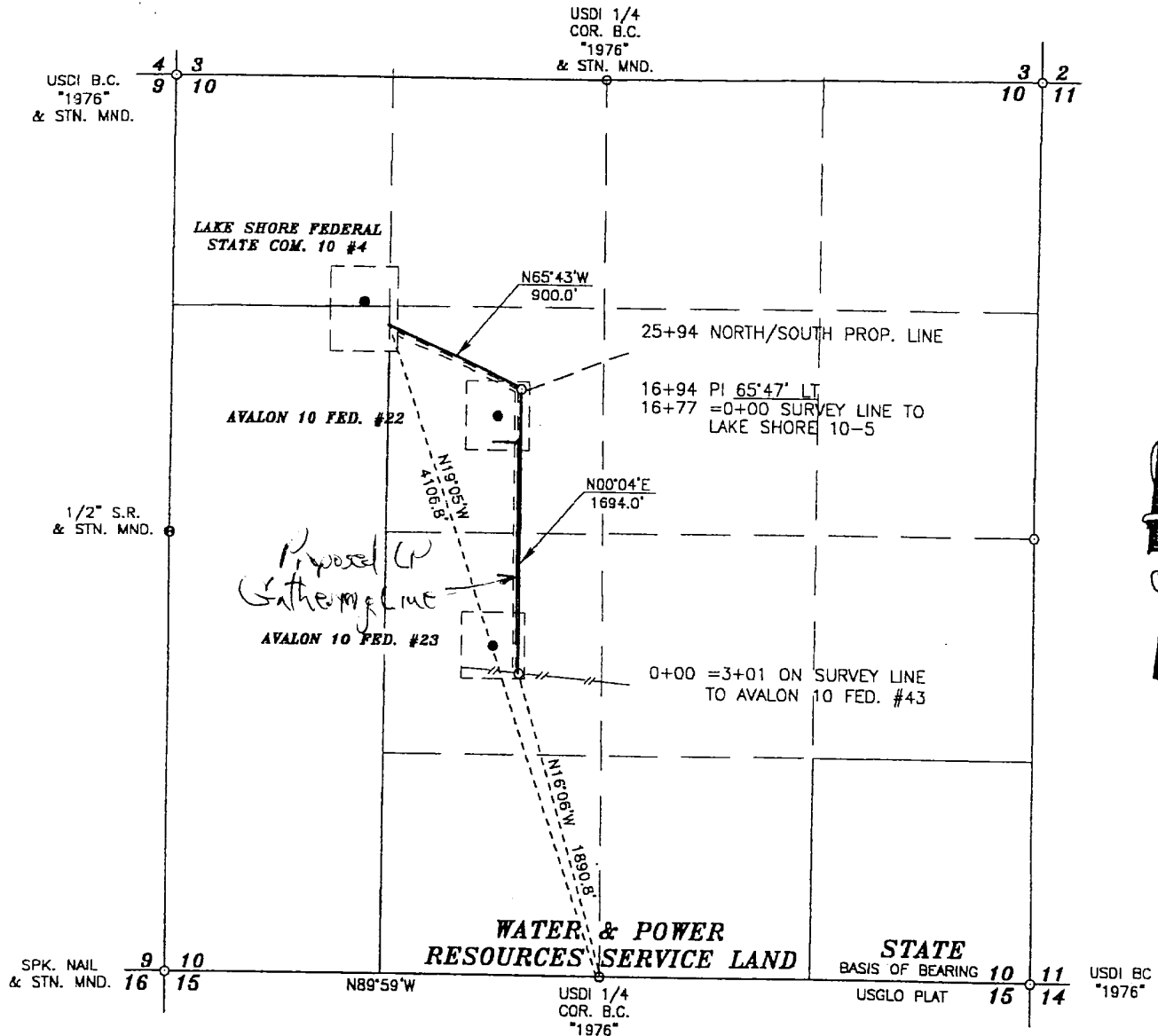
December 4, 2000

Date

SECTION 10, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.,

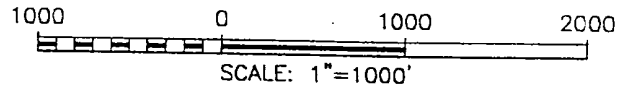
EDDY COUNTY,

NEW MEXICO.



DESCRIPTION

A STRIP OF LAND BEING 50 FEET WIDE AND 2594.0 FEET OR 0.491 MILES IN LENGTH AND BEING 25.0 FEET LEFT OF AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE SURVEY.



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Ronald J. Eidson 10/12/00

RONALD J. EIDSON, N.M. F.S. No. 3239
GARY G. EIDSON N.M. F.S. No. 12641

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

BONNEVILLE FUELS CORPORATION

SURVEY OF A PIPELINE CROSSING U.S.A.
WATER & POWER RESOURCES SERVICE LAND
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 26 EAST,
EDDY COUNTY, NEW MEXICO

Survey Date: 10/5/00	Sheet 1 of 1 • Sheets
W.O. Number: 00-11-1213	Drawn By: LMP
Date: 05/10/00	DISK: CD#3
BONN1213	Scale: 1"=1000'

Union "10" Fed # 22

H.P. Gas Lines: 4" or 6":

From
Lake Shore Fed
S.P. 10-14

From:
Lake Shore
S.C. 10-45

From Large Street Panel.
C. 10

Access Road
From Lake Shore Rd
#57
10
↗

400' x 400' Archaeological Survey Limit

Well Pad: 200' E-N
300 N-S

- 400 P.T.
- 1700 P.T. Runway

Reserve Pt.
5' bottom
Coral

Reserve P. 1
51 Bottoms

Well Center:
Avalon 10" Red #20
Fin: Gude © 3197 MSL

10 HP Gas Line
10 Central Sales Point

Revised 4/18 HP Gas Line
10 Central Sales
Call me 5/18

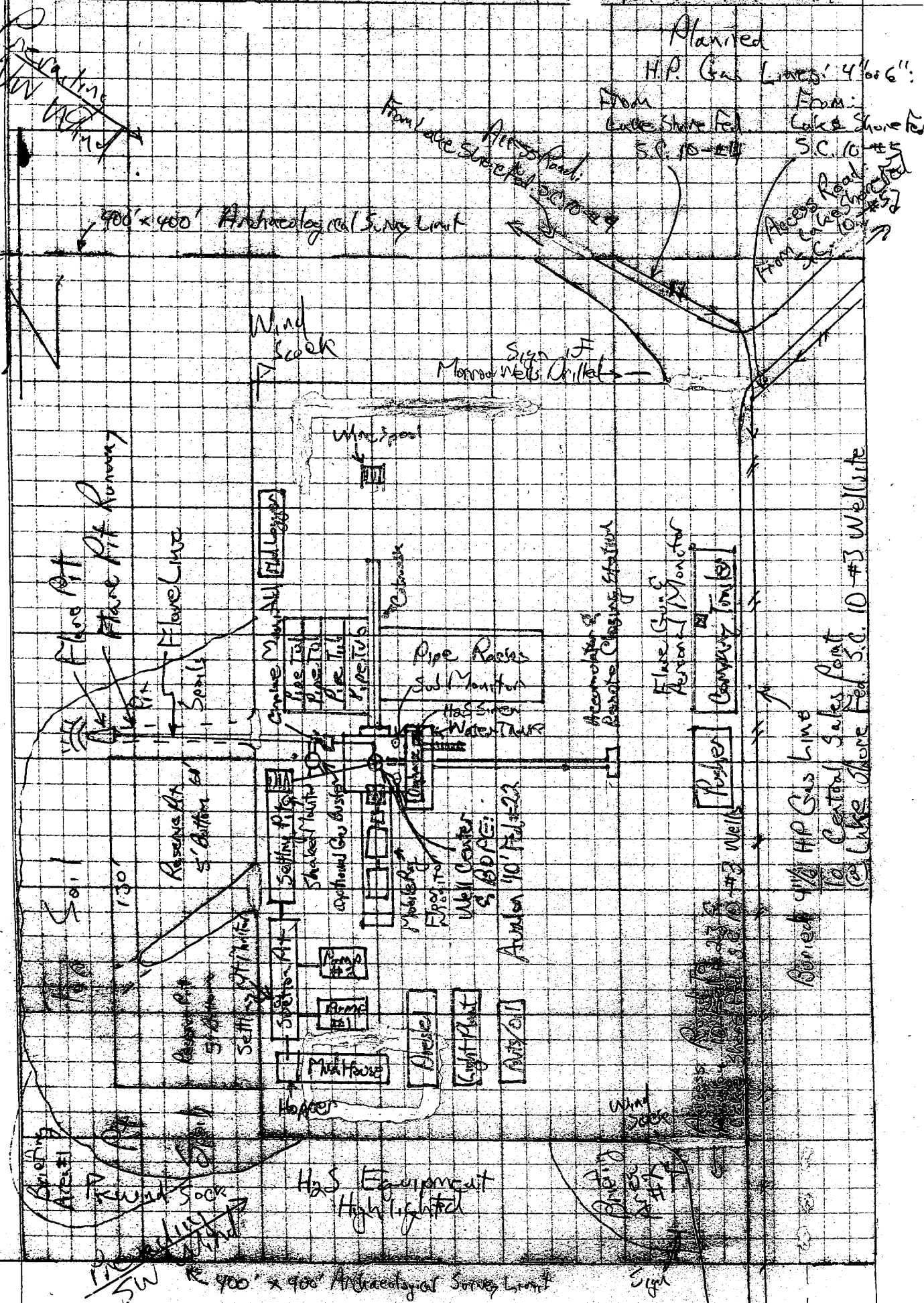
57

13-782	500 SHEETS, FILLER	5 SQUARE
42-381	50 SHEETS EYE-EASE	5 SQUARE
42-382	100 SHEETS EYE-EASE	5 SQUARE
42-389	200 SHEETS EYE-EASE	5 SQUARE
42-382	100 RECYCLED WHITE	5 SQUARE
42-399	200 RECYCLED WHITE	5 SQUARE

13-782
42-381
42-382
42-389
42-392
42-399

13-782	500 SHEETS, FILLER	5 SQUARE
12-381	50 SHEETS EYE-EASE	5 SQUARE
12-382	100 SHEETS EYE-EASE	5 SQUARE
12-388	200 SHEETS EYE-EASE	5 SQUARE
12-392	200 RECYCLED WHITE	5 SQUARE
12-399	200 RECYCLED WHITE	5 SQUARE

Made in U.S.A.



1/5

EXHIBIT 'J'

CULTURAL RESOURCE MANAGEMENT REPORT

**Bonneville Fuels Corporation
The Proposed Avalon "10" Federal Number 22
Well Location and Access Road
Section 10, T.21S., R.26E
Eddy County, New Mexico**

Written By:

Doralene Sanders
and
Joe Ben Sanders
Project Archaeologist
Principal Investigator

Prepared For:
Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver, CO 80290

Prepared By:

**SOUTHERN NEW MEXICO
ARCHAEOLOGICAL SERVICES, Inc.**

Post Office Box 1
Bent, New Mexico 88314-0001

Date:
October 17, 2000

**Project # SNMAS-00NM-403
NMCRIS # 72117**

2/5

TITLE PAGE/ABSTRACT
NEGATIVE SITE REPORT
ROSWELL DISTRICT

BLM/ RDO 1/95

Page 1

1. BLM Report No.**2. (Accepted)
(Rejected)****3. NMCRIS No. 72117****4. Title of Report (Project Title):**

A Cultural Resource Inventory
The Avalon "10" Federal Number 22
Proposed Well Location and Access Road
Section 10, T.21S., R. 26E
Eddy County, New Mexico

5. Project Date(s)

October 4, 2000

6. Report Date

October 17, 2000

7. Consultant Name & Address:

Direct Charge: Joe Ben Sanders
Name: Southern New Mexico Archaeological Services, Inc.
Address: PO Box 1 Bent, New Mexico 88314
Author's Name: Doralene Sanders
Field Personnel Names: Ray Medlock
Phone No. (505) 671-4797

8. Permit No.

145-2920-00-G

Consultant Report #

SNMAS-00NM-403

10. SPONSOR NAME AND ADDRESS:

Individual Responsible: Robert Schwering

11. FOR BLM USE

Name: Bonneville Fuels Corporation
Address: 1700 Broadway, Suite 1150
Denver, CO 80290
Phone No. (303) 863-1555 Ext 213

12. ACREAGE:

Total No. of acres

Surveyed 5.54

Per Surface

Ownership:

(Bureau of Reclamation) Federal 5.54

State _____

Private _____

13. Location and Area: (Maps Attached if negative survey)**a. State:** New Mexico **b. County:** Eddy **c. BLM District:** Roswell, **Field Office:** Carlsbad**d. Nearest City or Town:** Carlsbad, New Mexico**e. Location:** T 21S R 26E Sec 10 Well Pad Footage's **1980' FNL and 1980' FWL****1/4's: Pad:** NW1/4SE1/4NW1/4,**1/4's: Road:** NE1/4NE1/4SW1/4; SE1/4SE1/4NW1/4**f. 7.5' Map Name(s) and Code Number(s):** USGS Carlsbad West (1985) 32104-D3

3/5

g. Area: Block:

Impact: 200' X 200'

Surveyed: 400' X 400'

Linear: 60' X 800'

Surveyed: 120' X 800'

14. a. Records Search:

Location: ARMS HPD.
BLM Carlsbad

Date: October 3, 2000

Date: October 3, 2000

List by LA # All sites within .25 miles of the project:

None

b. Description of Undertaking:

The proposed Avalon "10" Federal Number 22 well location is staked 1980 ft FNL and 1980 ft FWL in Section 10, T.21S., R.26E. The impact area for the proposed well location is an area 200 ft by 200 ft. The proposed access road is 800 ft long with an impact area of 60 ft by 800 ft. The proposed access road begins on the southeast corner of the well location and trends 800 ft south to a previously inventoried right of way (SNMAS-00-NM-404).

c. Environmental Setting NRCS soil designation: vegetative community: etc.:

The project area is located on the westside of Pecos River with gently rolling low hills in shallow soils over limestone bedrock. Vegetation in the area consists of acacia, grass, javelina bush, prickly pear, snakeweed and creosote. Elevation is 3197 ft.

d. Field Methods: Transect Intervals: 8 zig zag transects across well pad, 50-ft zig zag intervals across the staked corridor.

Crew Size: 1

Time in Field: 2 hours

Collections: NONE

15. Cultural Resource Findings:

a. Identification and description: (Location shown on project map)

Isolate 1 Consists of one complete flake of gray chert, no cortex, with a cortical plat form measuring 24 x 40 x 9 mm in size. Found in the NE1/4SE1/4NW1/4.

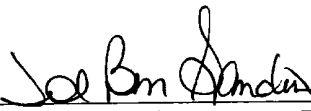

4/5

16. Management Summary (Recommendations):

During the survey, one isolated occurrence was encountered, recorded and its research potential exhausted in the field. **Therefore, archaeological clearance is recommended for the Bonneville Fuels Corporation proposed Avalon "10" Federal Number 22 well location and access road, with no stipulations.**

I certify the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature

Joe Ben Sanders
Principal Investigator

Date: October 17, 2000

The above completes a negative report. If eligible of potentially eligible properties are involved, then the above will be the title page and abstract for a complete report

5/5

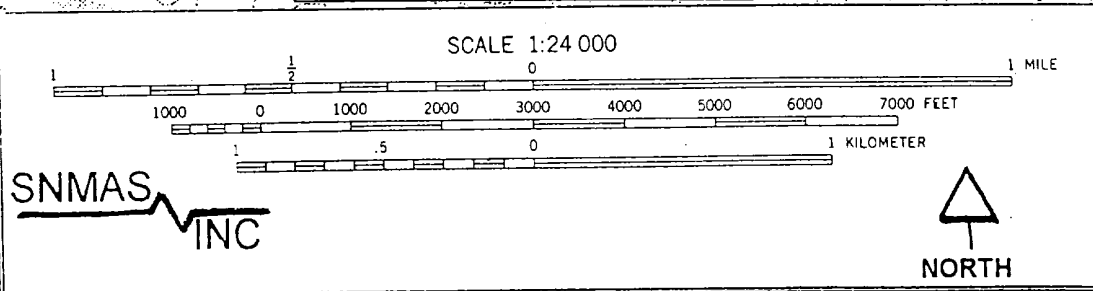
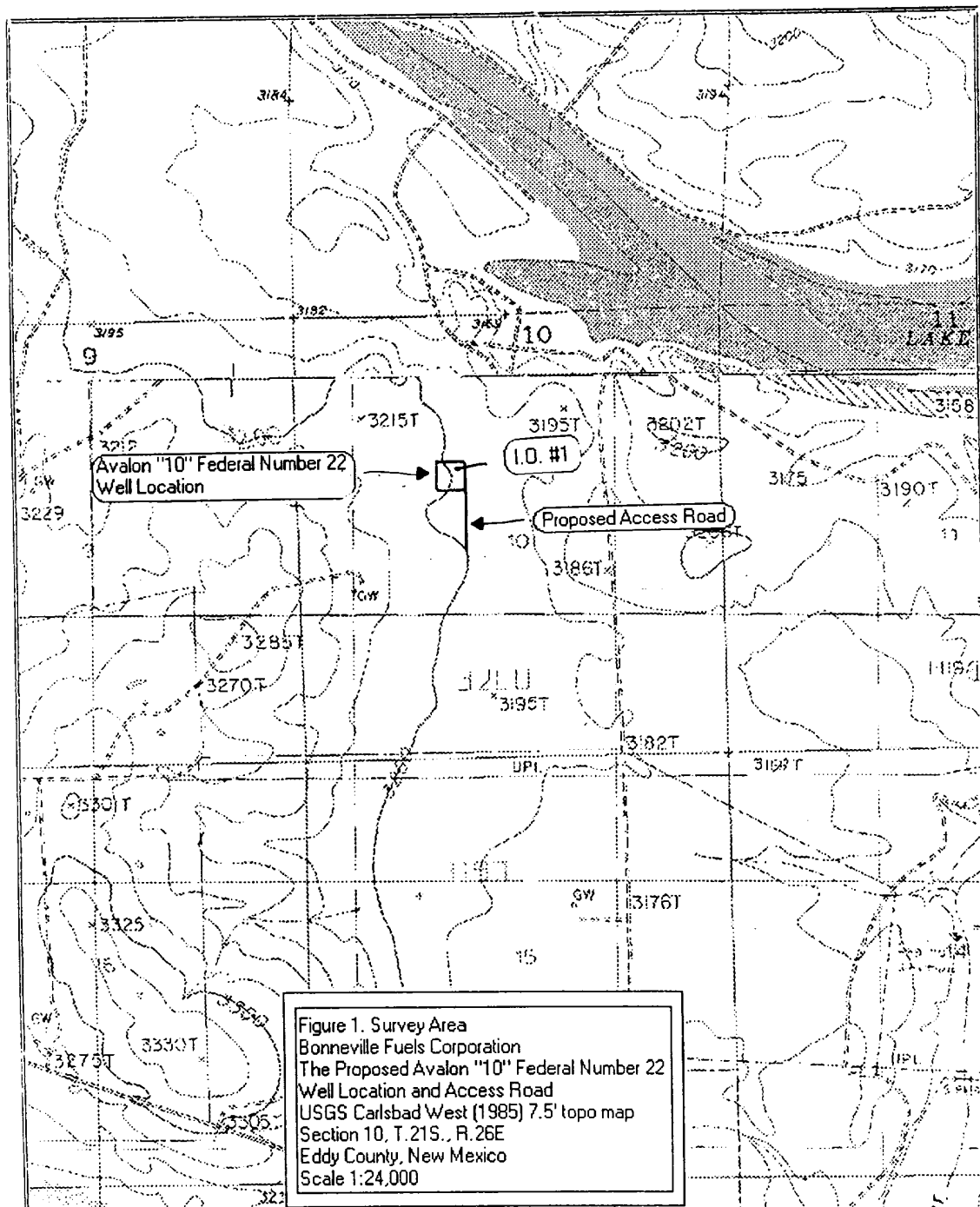


EXHIBIT 'K'

4/5

CULTURAL RESOURCE

5.1/2 : Access Road For : Avalon "10" Federal #22 Well

MANAGEMENT REPORT

**Bonneville Fuels Corporation
The Proposed Avalon "10" Federal Number 23
Well Location and Access Road
Section 10, T.21S., R.26E
Eddy County, New Mexico**

Written By:

Doralene Sanders
and
Joe Ben Sanders
Project Archaeologist
Principal Investigator

Prepared For:
Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver, CO 80290

Prepared By:

**SOUTHERN NEW MEXICO
ARCHAEOLOGICAL SERVICES, Inc.**

Post Office Box 1
Bent, New Mexico 88314-0001

Date:
October 17, 2000

**Project # SNMAS-00NM-404
NMCRIS # 72118**

245

TITLE PAGE/ABSTRACT
NEGATIVE SITE REPORT
ROSWELL DISTRICT

BLM/ RDO 1/95

Page 1

1. BLM Report No.

2. (Accepted)
(Rejected)

3. NMCRIS No. 72118

4. Title of Report (Project Title):

A Cultural Resource Inventory
The Avalon "10" Federal Number 23
Proposed Well Location and Access Road
Section 10, T.21S., R. 26E
Eddy County, New Mexico

5. Project Date(s)

October 4, 2000

6. Report Date

October 17, 2000

7. Consultant Name & Address:

Direct Charge: Joe Ben Sanders
Name: Southern New Mexico Archaeological Services, Inc.
Address: PO Box 1 Bent, New Mexico 88314
Author's Name: Doralene Sanders
Field Personnel Names: Ray Medlock
Phone No. (505) 671-4797

8. Permit No.

145-2920-00-G

Consultant Report #
SNMAS-00NM-404

10. SPONSOR NAME AND ADDRESS:

Individual Responsible: Robert Schwering

Name: Bonneville Fuels Corporation
Address: 1700 Broadway, Suite 1150
Denver, CO 80290
Phone No. (303) 863-1555 Ext. 213

(Bureau of Reclamation)

11. FOR BLM USE

12. ACREAGE:

Total No. of acres
Surveyed 6.00

Per Surface
Ownership:
Federal 6.00
State _____
Private _____

13. Location and Area: (Maps Attached if negative survey)

- a. State: New Mexico b. County: Eddy c. BLM District: Roswell, Field Office: Carlsbad
d. Nearest City or Town: Carlsbad, New Mexico
e. Location: T 21S R 26E Sec 10 Well Pad Footage's **1980' FSL and 1980' FWL**
1/4's: Pad: NW1/4NE1/4SW1/4,
1/4's: Road: SE1/4SE1/4NW1/4; NE1/4NE1/4SW1/4
f. 7.5' Map Name(s) and Code Number(s): USGS Carlsbad West NM (1985) 32104-D3

3/5

g. Area: Block:

Impact: 200' X 200'
Surveyed: 400' X 400'
Linear: 60' X 1000'
Surveyed: 120' X 1000'

14. a. Records Search:

Location: ARMS HPD. Date: October 3, 2000
BLM Carlsbad Date: October 3, 2000

List by LA # All sites within .25 miles of the project:
None

b. Description of Undertaking:

The proposed Avalon "10" Federal Number 23 well location is staked 1980 ft FSL and 1980 ft FWL in Section 10, T.21S., R.26E. The impact area for the proposed well location is an area 200 ft by 200 ft. The proposed access road is 1000 ft long with an impact area of 60 ft by 1000 ft. The proposed access road begins on the northeast corner of the well location and trends 1000 ft north to a previously inventoried right of way (SNMAS-00-NM-403).

c. Environmental Setting NRCS soil designation: vegetative community: etc.:

The project area is located on the westside of Pecos River with gently rolling low hills in shallow soils over limestone bedrock. Vegetation in the area consists of acacia, grass, javelina bush, prickly pear, snakeweed and creosote. Elevation is 3201 ft.

d. Field Methods: Transect Intervals: 8 zig zag transects across well pad, 50-ft zig zag intervals across the staked corridor.

Crew Size: 1
Time in Field: 2 hours
Collections: NONE

15. Cultural Resource Findings:

a. Identification and description: (Location shown on project map)

During the current survey, no cultural resources were encountered.

4/5

16. Management Summary (Recommendations):

During the survey, no cultural resources were encountered. **Therefore, archaeological clearance is recommended for the Bonneville Fuels Corporation proposed Avalon "10" Federal Number 23 well location and access road, with no stipulations.**

I certify the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature

Joe Ben Sanders 10/2

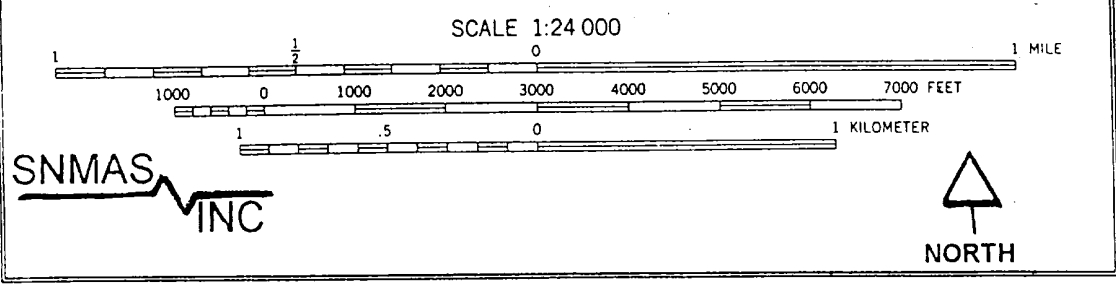
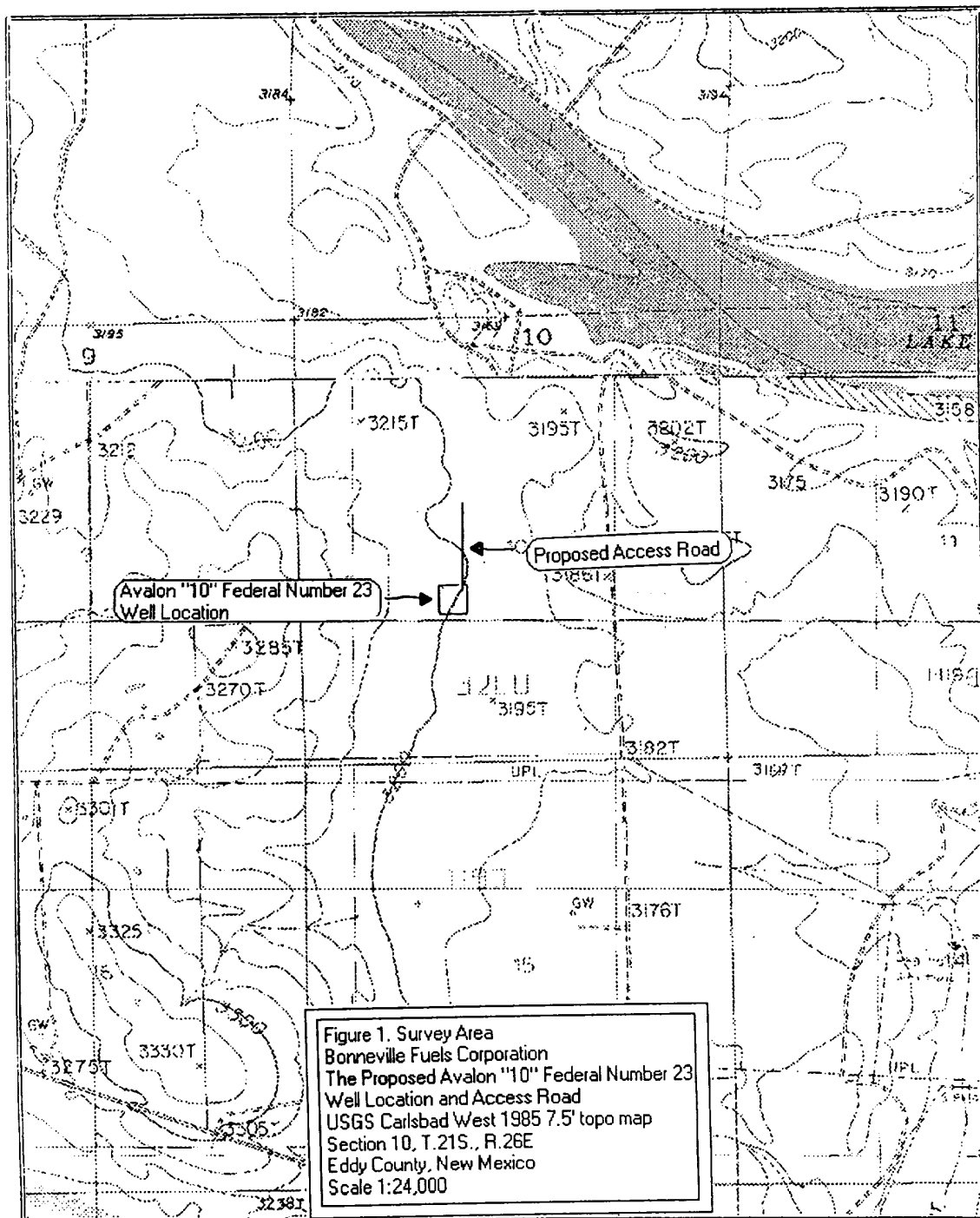
Joe Ben Sanders

Date: October 17, 2000

Principal Investigator

The above completes a negative report. If eligible of potentially eligible properties are involved, then the above will be the title page and abstract for a complete report

5/5



SNMAS
INC

EXHIBIT 'L'

1/6

CULTURAL RESOURCE

Pipeline For: Avalon "10" Federal #22

MANAGEMENT REPORT

**Bonneville Fuels Corporation
The Avalon and Lakeshore Pipeline
A Pipeline servicing the Bonneville Fuels Corporation's
Avalon and Lakeshore Well Locations
Section 10, T.21S., R.26E
Eddy County, New Mexico**

Written By:

Doralene Sanders
and
Joe Ben Sanders
Project Archaeologist
Principal Investigator

Prepared For:
Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver, CO 80290

Prepared By:

**SOUTHERN NEW MEXICO
ARCHAEOLOGICAL SERVICES, Inc.**

Post Office Box 1
Bent, New Mexico 88314-0001

Date:
October 20, 2000

**Project # SNMAS-00NM-407
NMCRIS # 72121**

36

TITLE PAGE/ABSTRACT NEGATIVE SITE REPORT ROSWELL DISTRICT		
<div style="display: flex; justify-content: space-between;"> BLM/ RDO 1/95 Page 1 </div>		
1. BLM Report No.	2. (Accepted) (Rejected)	3. NMCRIS No. 72121
4. Title of Report (Project Title): <div style="text-align: center; padding: 10px;"> A Cultural Resource Inventory The Avalon and Lakeshore Pipeline A Pipeline servicing the Avalon and Lakeshore Bonneville Fuels Corporation Well Locations Section 10, T.21S., R. 26E Eddy County, New Mexico </div>		
5. Project Date(s) October 4, 5, 2000		6. Report Date October 20, 2000
7. Consultant Name & Address: Direct Charge: Joe Ben Sanders Name: Southern New Mexico Archaeological Services, Inc. Address: PO Box 1 Bent, New Mexico 88314 Author's Name: Doralene Sanders Field Personnel Names: Joe Ben Sanders and Ray Medlock Phone No. (505) 671-4797		8. Permit No. 145-2920-00-G Consultant Report # SNMAS-00NM-407
10. SPONSOR NAME AND ADDRESS: Individual Responsible: Robert Schwering Name: Bonneville Fuels Corporation Address: 1700 Broadway, Suite 1150 Denver, CO 80290 Phone No. (303) 863-1555 Ext 213		11. FOR BLM USE 12. ACREAGE: Total No. of acres Surveyed <u>17.22</u> Per Surface Ownership: (Bureau of Reclamation) Federal <u>17.19</u> State <u>.03</u> Private _____
13. Location and Area: (Maps Attached if negative survey) a. State: New Mexico b. County: Eddy c. BLM District: Roswell, Field Office: Carlsbad d. Nearest City or Town: Carlsbad, New Mexico e. Location: T 21S R 26E Sec 10 Well Pad Footage's <u>1980'</u> FNL and <u>1980'</u> FWL		

1/4's: **Pipeline:** SE1/4N1/2SE1/4; NE1/4NE1/4SW1/4NW1/4; NW1/4SW1/4NE1/4; W1/2SE1/4NW1/4; W1/2NE1/4NE1/4SW1/4; SW1/4NE1/4SW1/4; SE1/4NE1/4SW1/4; S1/2NW1/4SE1/4; SW1/4NE1/4SE1/4; NW1/4SE1/4NE1/4SE1/4; NE1/4NE1/4SE1/4SE1/4; SE1/4NE1/4

f. 7.5' Map Name(s) and Code Number(s): USGS Carlsbad West (1985) 32104-D3

g. Area: Block:

Impact: 000' X 000'

Surveyed: 000' X 000'

Linear: 60' X 7500'

Surveyed: 120' X 7500'

14. a. **Records Search:**

Location:	ARMS HPD.	Date: October 3, 2000
	BLM Carlsbad	Date: October 3, 2000

List by LA # All sites within .25 miles of the project:
LA 131362

b. **Description of Undertaking:**

The proposed pipeline begins on the southeast corner of the Lakeshore Federal State COM 10 Number 4, (previously inventoried SNMAS-401) well location and trends 900 ft southeast to the Avalon 10 Federal Number 22, (previously inventoried SNMAS-403), on the northeast, then trends 700 ft northeast, 400 ft southeast to the Lakeshore Federal State COM 10, (previously inventoried SNMAS 402). The pipeline then trends off of the Avalon 10 Federal Number 22 from the northeast corner 1200 ft south along side of previously inventoried access roads (SNMAS-403 and 404) to the Avalon 10 Federal Number 23 well location (previously inventoried SNMAS 404). The pipeline then trends from the southwest corner of the Avalon 10 Federal Number 23 southeast 2800 feet to the southwest corner of Avalon 10 Federal Number 43, (previously inventoried SNMAS-406) and the northwest corner of the existing Lakeshore Federal State COM Number 2 well location. The pipeline then trends from the northeast corner of the existing Lakeshore Federal State COM Number 2 well location due north 1200 ft, then 300 ft north to a previously inventoried (SNMAS-405) access road located on the southeast corner of the Avalon 10 Federal Number 42.

c. **Environmental Setting** NRCS soil designation: vegetative community: etc.:

The project area is located on the westside of Pecos River with gently rolling low hills in shallow soils over limestone bedrock. Vegetation in the area consists of acacia, grass, javelina bush, prickly pear, snakeweed and creosote. Elevation is 3197 ft.

4/6

d. Field Methods: Transect Intervals: 50-ft zig zag
intervals across the staked corridor.

Crew Size: 2

Time in Field: 6 hours

Collections: NONE

15. Cultural Resource Findings:

a. Identification and description: (Location shown on project map)

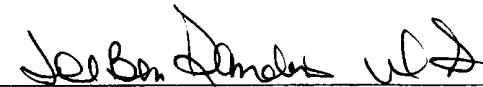
During the current surveys, no cultural resources were encountered.

16. Management Summary (Recommendations):

During the survey, no cultural resources were encountered. **Therefore, archaeological clearance is recommended for the Bonneville Fuels Corporation proposed pipeline servicing the Avalon and Lakeshore Bonneville Fuels Corporation well locations, with no stipulations.**

I certify the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature



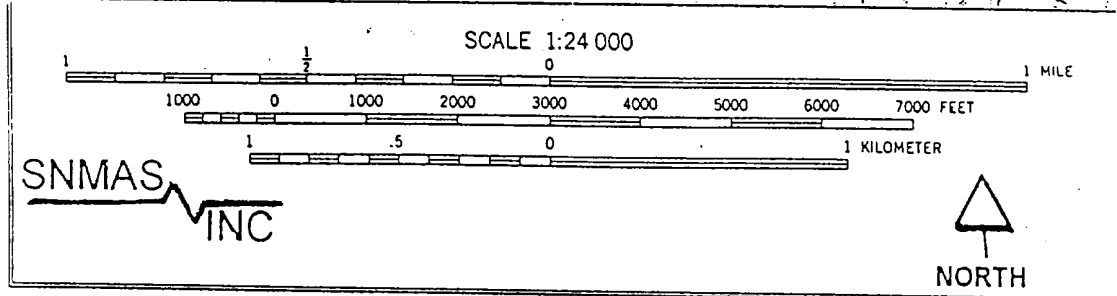
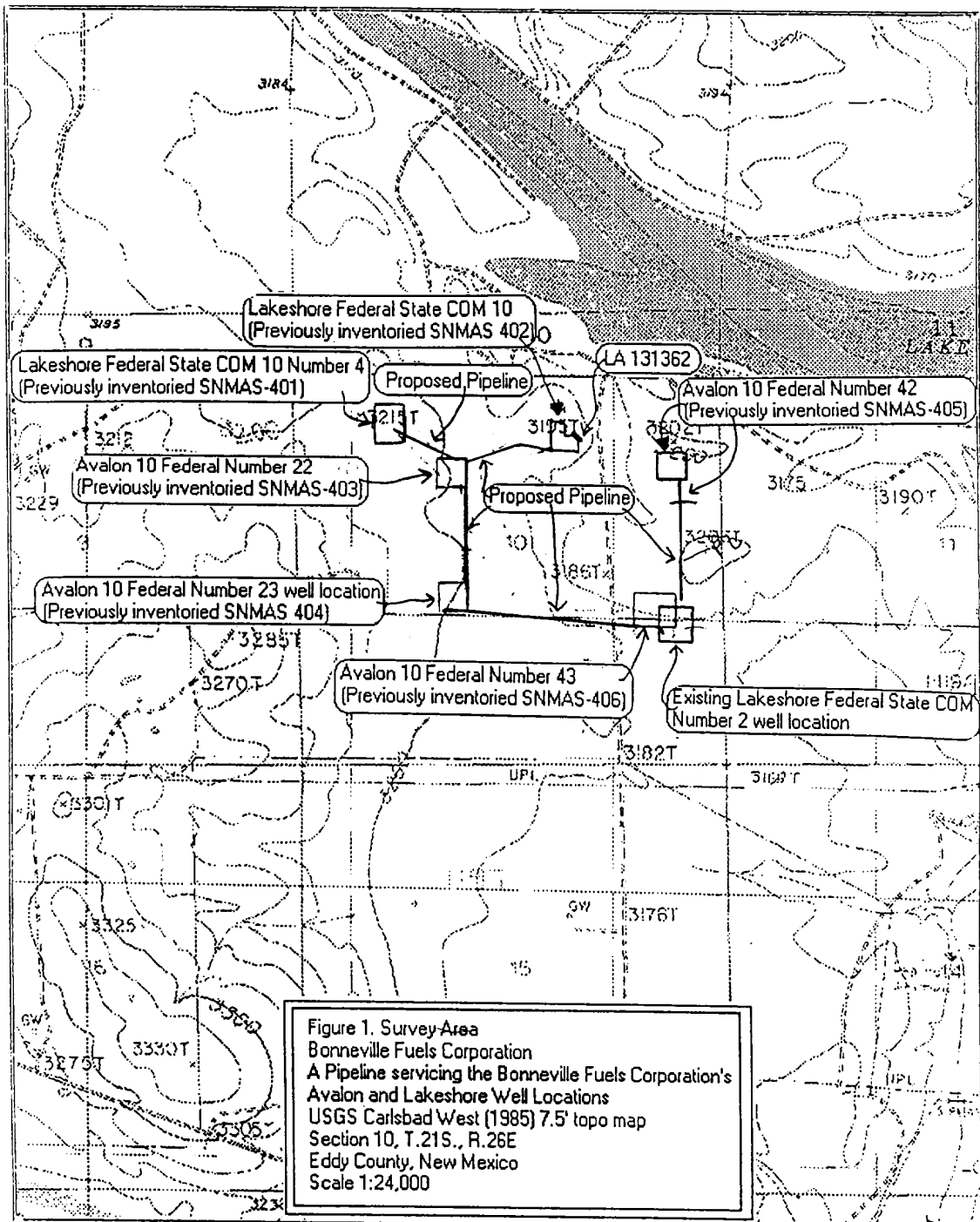
Joe Ben Sanders

Date: October 20, 2000

Principal Investigator

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6/6

