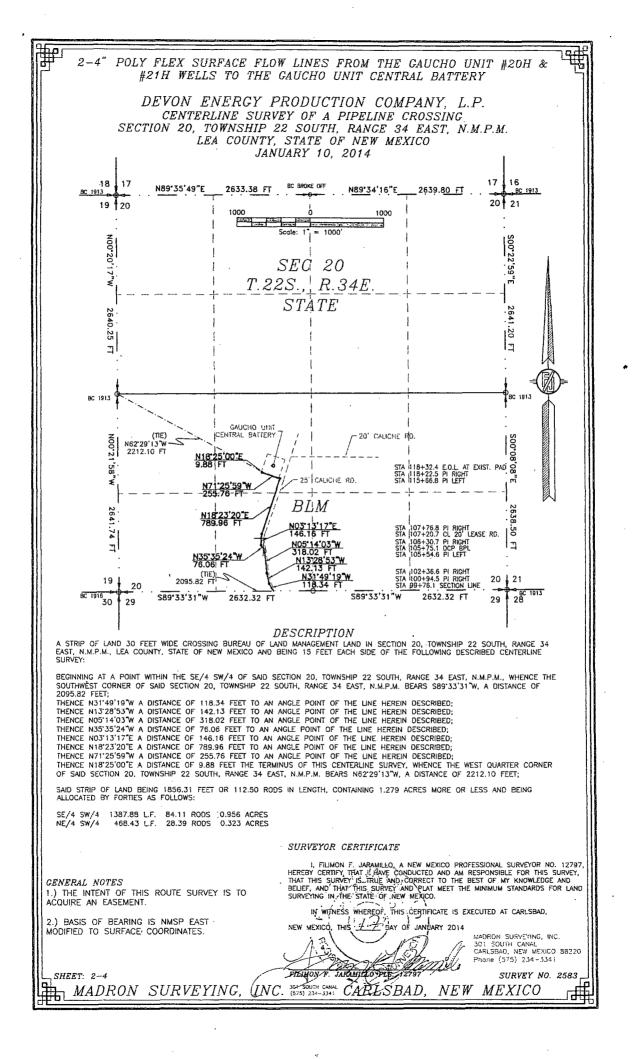
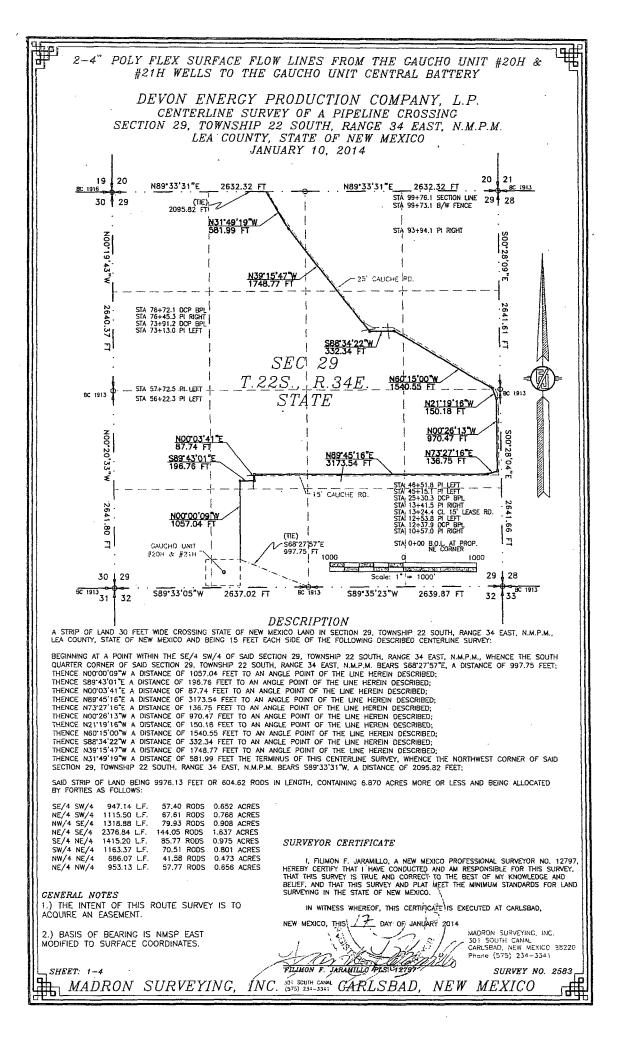
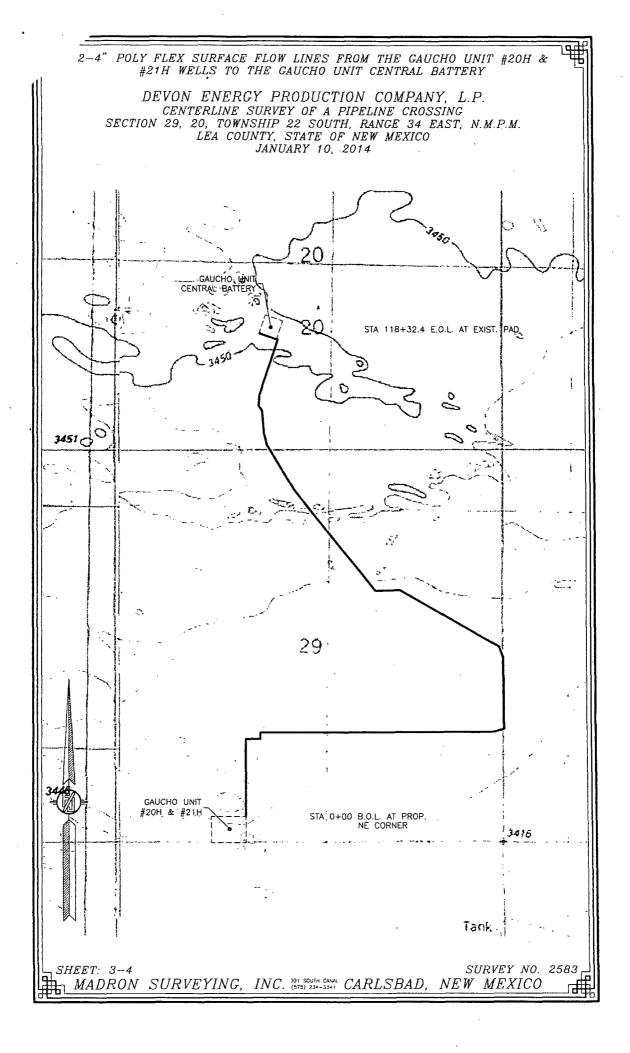
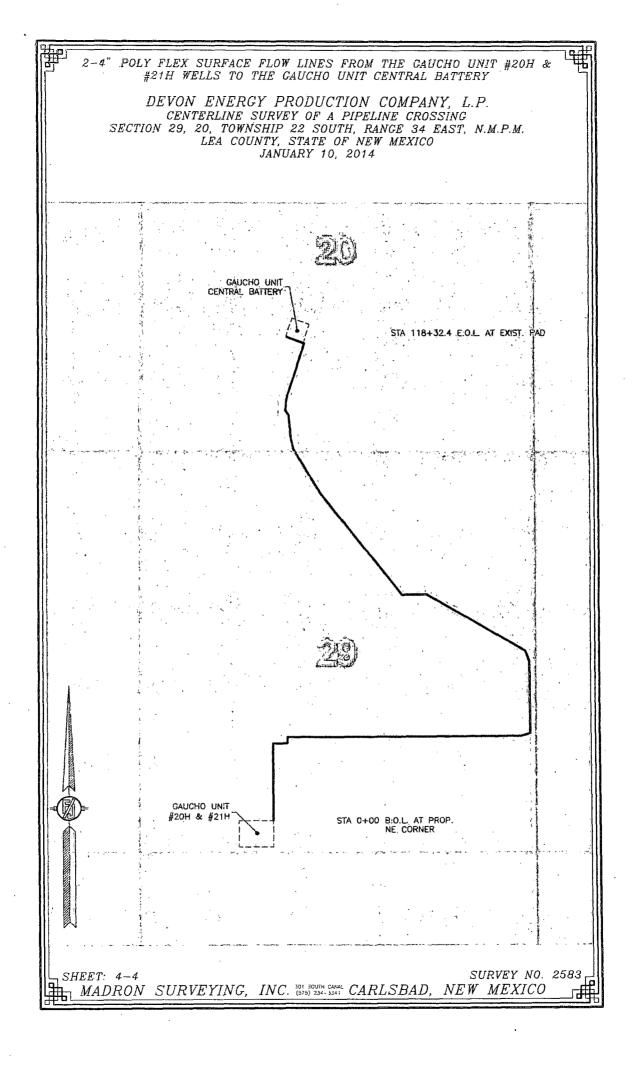
			Flabb	c		14-0050	
Form 3160-5						M APPROVED	
	PARTMENT OF THE I	NTERIOR				B No. 1004-0137 es: October 31, 2014	
BUREAU OF LAND MANAGEMENT					5. Lease Serial No. SH: NMNM69596 BH:NMNM98247		
	NOTICES AND REPO form for proposals to			6. If Indian, A	llottee or Tr	ribe Name	
	Use Form 3160-3 (Al			:			
SUBM	IT IN TRIPLICATE – Other i	instructions on pag	e 2.	7. If Unit of C	A/Agreeme	nt, Name and/or No.	
1. Type of Well			0 9 2014	· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	
	. Type of Well ☐ Gas Well ☑ Other				8. Well Name and No. Gaucho Unit 20H & 21H		
2. Name of Operator Devon Energy Production Compar	-	R	CEMED		іо. 11978 21н	1: 3002541979	
3a. Address 6488 Seven Rivers Highway		3b. Phone No. (inch	de area code	e) 10. Field and	Pool or Expl	loratory Area	
	utesia NM 88210 575-748-1810				Parish, Stat	e	
 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 20H: Section 29, T22S R34E, 200 FSL, 1500 FWL, Unit N 21H: Section 29, T22S R34E, 200 FSL, 1450 FWL, Unit N 			Lea County, New Mexico			со	
12. CHE	CK THE APPROPRIATE BO	X(ES) TO INDICAT	E NATURE	OF NOTICE, REPORT (OR OTHER	DATA	
TYPE OF SUBMISSION	1		Түр	E OF ACTION		· · · · · · · · · · · · · · · · · · ·	
Notice of Intent	Acidize	Deepen		Production (Start/Re	sume)	Water Shut-Off	
	Alter Casing			Reclamation	ļ	Well Integrity Cother Surface Disturbance	
Subsequent Report	Casing Repair	New Constr		Recomplete Temporarily Abando		Other Surface Disturbance	
Final Abandonment Notice	Convert to Injection	Plug Back		Water Disposal			
Attach the Bond under which the following completion of the invol testing has been completed. Fina determined that the site is ready f Devon Energy would like permission to the Gaucho Central Tank Batter The spacing for the said lines is 30	lved operations. If the operation I Abandonment Notices must b or final inspection.) on to bury 2, 4" flowlines from y located in the SW/4SW/4 of	m results in a multipl c filed only after all r m the Guacho Unit of Section 20, T225	e completion requirements 20H & 21H 5 R34E.	or recompletion in a new, , including reclamation, h located in the SW/4SW	interval, a l ave been co	Form 3160-4 must be filed once mpleted and the operator has	
Each line will carry 1,000 BOPD, 8	00BWPD, and 1.5 MMCFD	at 125 PSI				x	
Please see attached plat					NM O	DIL CONSERVATION ARTESIA DISTRICT	
						NOV 21 2014	
۲						RECEIVED	
						<i>,</i>	
14. Thereby certify that the foregoing is	See Attacked	COAS. JE	10/24	114		·	
14. Thereby certify that the foregoing is Brad Oates	true and correct. Name (Printed						
	<i></i>	Title	Field Lan	dman [.]			
Signature		Date	9/2	12014			
<i>j</i>	THIS SPACE	FOR FEDERAL		ATE OFFICE USE		,	
Approved by						· · · · · · · · · · · · · · · · · · ·	
formo la	· Como 7	n_	litte	FIELD MANAGER	Date	· 10-29-14	
Conditions of approval, if any, are attach that the applicant holds legal or equitable	e title to those rights in the subjec	not warrant or certify at lease which would	Office			Ka	
Chille the applicant to conduct operation Title 18 D.S.C. Section 1001 and Title 4		crime for any pareon		LSBAD FIELD OFFIC		r agency of the United States any false	
fictitious or fraudulent statements or rep			wowingly an			r agency of the Office States any faise	
(Instructions on page 2)	· ·			······································		- 1	

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BLM LEASE NUMBER: NMNM69596 <u>COMPANY NAME</u>: Devon Energy Production Company <u>ASSOCIATED WELL NAME</u>: Gaucho Unit 20H & 21H

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

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, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) 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. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately <u>6</u> inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. 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.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

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

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3
() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

13. 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 color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.
- 19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration

other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed