

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

March 8, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Mr. M. Craig Clark Land Consultant Nearburg Producing Company 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705

Dear Mr. Clark:

Based upon the reasons stated in your letter of March 6, 2002, and in accordance with the provisions of Division Order No. R-11724, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until July 15, 2002, in which to commence drilling the well pooled by this order.

Sincerely,

LOB WROTENBERY

Division Director

fd/

cc: Case No. 12791

OCD - Hobbs

Nearburg Producing Company

Expioration and Production 3300 North "A" Street Building 2. Suite 120 Midland. Texas 79705 915 686-8235 Fax 915 686-7806



March 6, 2002

Ms. Lori Wrotenbery, Director State of New Mexico Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, NM 87505

RE:

Case No. 12791 Order No. R-11724

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Dear Ms. Wrotenbery:

Nearburg Exploration Company, L.L.C. ("NEC") hereby requests an extension until July 15, 2002 in which it must commence the drilling of its Wapiti "31" Fed. Com. #1 well as provided for in the above captioned order.

Nearburg has received an approved APD from the BLM to drill the well, however, said permit does not allow for drilling activity during the lesser prairie chicken's booming season. I have enclosed a copy of the approved APD for your records.

Should you require any additional information to evaluate our request, please let me know.

Very truly yours,

M. Craig Clark Land Consultant

MCC/dw encl.

cc:

Bill Carr

OPERATOR'S COPY

(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0138 Expires: February 28, 1985

5. LEASE DESIGNATION AND SERIAL NO NM 92780

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*See Instruction's On Reverse Side

APPROVAL FOR 1 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 AR United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name Nearburg Producin	g co. Well Name & No. 1-wapter 31 red; com:
Location 1650 FS L& 660 F	EL Sec. 31 , T.185 , R. 34E .
Lease No. NM-92780 County	
application to drill is conditioned upon complian permittee should be familiar with the General Re	re applicable to the above described well and approval of this ce with such stipulations in addition to the General Requirements. The equirements, a copy of which is available from a Bureau of Land THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE
STIPULATIONS PURSUANT TO TITLE 43 CFR	
This permit is valid for a period of one year fr whichever is shorter.	om the date of approval or until lease expiration or termination
I. SPECIAL ENVIRONMENT REQUIREM	ENTS
Lesser Prairle Chicken (stips attached) () San Simon Swale (stips attached)	() Floodplain (stips attached) () Other
II. ON LEASE - SURFACE REQUIREMEN	TS PRIOR TO DRILLING
The BLM will monitor construction of this drill:	site. Notify the C Carlsbad Field Office at (505) 234-5972 () Hobbs for to commending construction.
Roads and the drill pad for this well must be so	urfaced with 6 inches of compacted caliche.
available for resurfacing of the disturbed area after	the construction of the drill site area will be stockpiled and made or completion of the drilling operation. Topsoil on the subject location ately cubic yards of topsoil material will be stockpiled for
() Other.	
III. WELL COMPLETION REQUIREMENTS	
() A communitization Agreement covering the acr The effective date of the agreement must be prior	eage dedicated to the well must be filed for approval with the BLM. to any sales.
will be reduced to a stope of 3:1 or less. All areas	he reserve pit(s) will be backfilled when dry, and cut-and-fill slopes of the pad not necessary for production must be re-contoured to errain, and topsoil must be re-distributed and re-seeded with a drill (inch) with the following seed mixture, in pounds of Pure Live Seed
() A. Seed Mixture 1 (Loamy Sites) Side Oats Grama (Boutelous curtipendula) 5.0 Sand Dropseed (Sporobolus cryptandrus) 1.0	B. Seed Mixture 2 (Sandy Sites) Sand Dropseed (Sporobolus cryptandrus) 1.0 Sand Lovegrase (Eragostis trichodes) 1.0 Plains Bristlegrass (Salaria magrostachya) 2.0
) C. Seed Mixture 3 (Shallow Sites) Sideoats Grama (Boute curtipendula) 1.0	() D. Seed Mixture 4 (Gypsum Siles) Alkali Sacaton (Sporobollud alroides) 1.0 Four-Wing Salibush (Atriplex canescens) 5.0
eding should be done either late in the fall (September 1) ring to take advantage of available ground moisture.	5 - November 15, before freezo up, or early as possibe the following
Other.	

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic.

Mineral material extracted during construction of the reserve pit may be used for development of the pad and access road as needed. Removal of any additional material on location must be purchased from BLM.

<u>Reclamation</u>: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying, a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- (1) Lined as specified above and
- (2) A borrow/caliche/gravel pit can be constructed immediately adjacent to the reserve pit and it capable of containing all reserve pit contents. The mineral material removed in the process can be used for pad and access road construction. However, a material sales contract must be purchased from the BLM prior to removal of the material.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to proceed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the lands described below:

All of Section 31 718 R34

For the purpose of: Protecting Prairie Chickens:

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. 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 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on exixting roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not toexceed 75 db measured at 30 feet from the source of the noise.

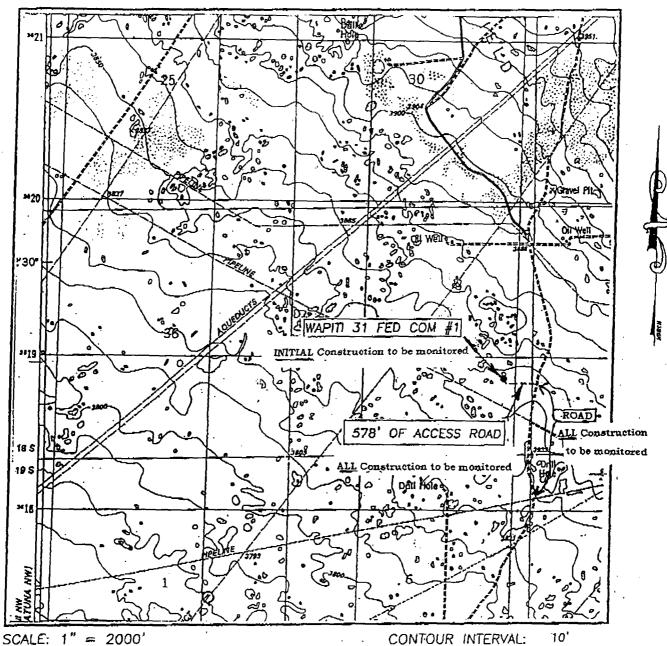
CULTURAL RESOURCES STIPULATIONS CARLSBAD FIELD OFFICE

PROJECT	Doculusas Wo	piti 31 #1	Acces Pol.	Report No. 02- Nm-080-256
	~ 10 × 10 × 10 × 10 × 10 × 10 × 10 × 10	quad un	miles for.	Vehalf 140. 082-1011-080-936

SITE PROTECTION AND EMPLOYEE EDUCATION: All employees of the project will be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They will be also be notified that it is illegal to collect, damage or disturb cultural resources.

	ylo	worki	copy of these stipulations will be supplied to the archaeological monitor at least two (2) ing days prior to the start of construction activities.
	yes	2. <u>N</u> archae	construction activities, including vegetation removal, may begin before the arrival of the cological monitor.
<u>.</u> .	yes	3. Th	e archaeological monitor will:
		10	 a. Ensure that the site protection barrier is located as indicated on the attached map(s). b. Observe all surface disturbing activities within feet of cultural site
			(see attached map(s).
		yes	d. Submit a report of the monitoring activities within thirty (30) days of completion of Commonitoring vuless other arrangements are made with the BLM. These stipulations must be attached to the report.
			must be attached to the report.
. B.			nust select one of the following alternatives:
B	<u> </u>	1. Cont 2. Redu 3. Reloc	·
-		1. Cont 2. Redu 3. Reloc 4. Prepa	nust select one of the following alternatives: rolled test excavations to determine if cultural resources are present; ction of the project size to avoid all significant cultural materials; eation of the project;
-	SITE	1. Cont 2. Redu 3. Reloc 4. Prepa	nust select one of the following alternatives: rolled test excavations to determine if cultural resources are present; ction of the project size to avoid all significant cultural materials; cation of the project; ration and implementation of a data recovery plan for cultural sites(s)
-	SITE 1	I. Conto	nust select one of the following alternatives: rolled test excavations to determine if cultural resources are present; ction of the project size to avoid all significant cultural materials; cation of the project; ration and implementation of a data recovery plan for cultural sites(s)
-	SITE I con we re	1. Conto	rolled test excavations to determine if cultural resources are present; ction of the project size to avoid all significant cultural materials; ration of the project; ration and implementation of a data recovery plan for cultural sites(s) ER/FENCING: porary site protection barrier(s) will be erected prior to on. The barrier(s) will, at a minimum, consist of upright wooden survey lath spaced han ten (10) feet apart and marked with blue ribbon flagging or blue paint. There construction activities or vehicular traffic past the barrier(s). The barrier(s) will
-	SITE I con write the second s	I. Conto	rolled test excavations to determine if cultural resources are present; ction of the project size to avoid all significant cultural materials; ration and implementation of a data recovery plan for cultural sites(s) ER/FENCING: porary site protection barrier(s) will be erected prior to

LOCATION VERIFICATION MAP



IRONHOUSE WELL, N.M.

SEC. 31 TWP. 18-5 RGE. 34-E
SURVEYN.M.P.M.
COUNTYLEA
DESCRIPTION 1650' FSL & 660' FEL
ELEVATION3957'
OPERATOR NEARBURG PRODUCING COMPANY
LEASE WAPITI 31 FEDERAL COM
U.S.G.S. TOPOGRAPHIC MAP IRONHOUSE WELL, N.M.

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

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Nearburg Producing

Well Name & No: Wapiti "31" Federal Com No. 01

Location: 1650 'FSL & 660 'FEL Sec. 31, T.18 S., R. 34E.

Lease: NM 92780 Lea County

L DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5972 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

- A. Spudding
- B. Cementing casing: 13 % inch 8 % inch 5 ½ inch
- C. BOP tests
- 2. A Hydrogen Sulfide (H2S) Drilling Plan should be activated prior to drilling the <u>Queen</u> formation. A copy of the plan shall be posted at the drilling site.
- 3. Unless the production casing has been run and comented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
- 6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

IL CASING:

- 1. The 13 % inch surface easing shall be set at 1700 Ft. or 25 Ft. into the Rustler or use the Lea County Alternative Conditions of Approval (attached) and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the 8 % inch intermediate casing is to circulate to surface
- 3. The minimum required fill of cement behind the 5½ inch production casing is cover all H-C potential formations by at least 500 Ft.

IIL PRESSURE CONTROL:

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13 ½ inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be <u>5 M</u> psi. (Con't)

- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the <u>Wolfcamp</u> formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

Alternative Conditions of Approval

Drilling Fluids, Casing and Cementing Requirements for Most of Lea County:

Casing and Comenting

Surface casing is to be set at a sufficient depth to protect useable water zones and cement circulated to surface. In areas where the salt section (Salado) is present, surface casing should be set at least 25 feet into the top of the Rustler Anhydrite and cement circulated to the surface.

As an alternative, surface casing may be set through the Santa Rosa Formation or other potable water bearing zones and circulate cement to surface. For wells requiring an intermediate casing string, such string shall be cemented to the ground surface. In the case where intermediate casing is not required the operator shall case and cement the production hole to the ground surface.

While drilling from the surface casing to the Rustler fin it is recommended that operators periodically sweep the hole with viscous low water loss pills to help build a filter cake across useable water zones in the redbeds.

Drilling Fluid

Fresh water or fresh water spud mud shall be used to drill to surface casing depth. If surface casing is set at a lesser depth than the top of the Rustler fm., fresh water spud mud may be used to drill down to the first salt in the Rustler Fm. after which brine or fresh water may be used.

Non-toxic or biodegradable water based polymers, drilling paper, starch and gels may be used in the mud system in order to retard seepage into the redbeds.

Two to five percent diesel or crude oil may be used in the redbed section in order to control heaving shales and mudstones.

Caustics and Lime shall not be used in the red beds but may be added when the Rustler formation is reached. However, sodium carbonate maybe used for alkalinity or ph control while drilling the redbeds above the Rustler fm.

Additionally, questions of whether an additive may be used should be referred to the Roswell Field office.

EXHIBIT A

BLM Lease Number: NM-92780

Company Reference: 1-Wapiti 31 Fed. Com.

Nearburg Producing Co.

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS THE CARLSBAD FIELD OFFICE AREA, BLM

The Holder/grantee/permittee shall hereafter be identified as the Holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW). The Holder shall ensure that a copy of the grant and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

GENERAL REQUIREMENTS

- A. 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.
- B. 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.
- C. 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.
- D. If, during any phase of the construction, operation, maintenance, or termination of the road, any oil or other pollutant should be discharged, 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 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 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.

E. The Holder shall minimize disturbance to existing fences and other improvements on public domain surface. 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 make a documented good-faith effort to 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.

F. The Holder shall ensure that the entire right-of-way, including the driving surface, ditching and drainage control structures, road verges and any construction sites or zones, will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle and salt cedar.

Holder agrees to comply with the following stipulations:

ROAD WIDTH AND GRADE

The road will have a driving surface of 14 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked.

Maximum width of surface disturbance from construction will be 30 feet.

☐ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

☐ Flat-blading is authorized on segment(s) delineated on the attached map.

3. DRAINAGE

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES

Percent slope	Spacing interval
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible. For this road the spacing interval for lead-off ditches shall be at:

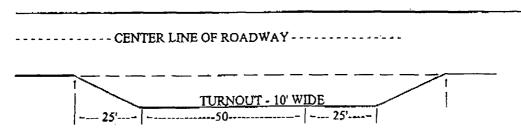
ш	400 1001 intervals.
	foot intervals.
	locations staked in the field as per spacing intervals above.
	locations delineated on the attached map.

- B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).
- C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

Example: 4% road slope: spacing interval = $\frac{400}{4}$ + 100 = 200 feet

4. TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



STANDARD TURNOUT - PLAN VIEW

SURFACING

Surfacing of the road or those portions identified on the attached map with caliche or other surfacing material may, at the direction of the Authorized Officer, be required if necessary to maintain traffic within the right-of-way. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface.

A sales contract for the removal of mineral materials (caliche, sand, gravel, fill dirt, etc.) from an authorized pit, site, or on location must be obtained from the BLM prior to using any such mineral material from public lands. Contact the BLM solid minerals staff for the various options to purchase mineral material.

CATTLEGUARDS

Where used, all cartleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

MAINTENANCE

The Holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

8. PUBLIC ACCESS

Public access along this road will not be restricted by the Holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

CULTURAL RESOURCES

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. 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.

10. SPECIAL STIPULATIONS: