

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 07 2012

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014SUNDRY NOTICES AND REPORTS ON **NMOC D ARTESIA**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No.
NM 108027

Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

YELLOWSTONE 3 FEDERAL #3

2. Name of Operator

THREE RIVERS OPERATING COMPANY LLC

9. API Well No.

30-015-39823

3a. Address

1122 S. CAPITAL OF TEXAS HWY., #325
AUSTIN, TX 78746

3b. Phone No. (include area code)

512-706-9849

10. Field and Pool or Exploratory Area

WILDCAT; BONE SPRING

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

SEC. 3, T26S, R25E 1980 FSL & 660 FWL

11. County or Parish, State

EDDY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other LAY
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	PIPELINE
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

LAY APPROXIMATELY 9358' 2 7/8" EUE 8RD 6.5#/FT STEEL TUBING FOR FLOWLINE FROM YELLOWSTONE WELL LOCATION - TANK BATTERY to the Pine Spring 2 State #1 well. The line will be installed on the surface alongside existing lease roads. The line will connect with a compressor on the Pine Spring 2 State #1 location. The attached plats show the proposed route. The line will at the Yellowstone 3 Federal #3 well pad and travel south alongside the access road to Dillahunty Road, then east alongside Dillahunty, and finally north alongside the access road to the Pine Springs 2 State #1 well. The pipeline will transport gas production.

Accepted for record
NMOC DAccepted for record
NMOC D

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

WINSTON BALLARD

Title FOREMAN

Signature

Date 04/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

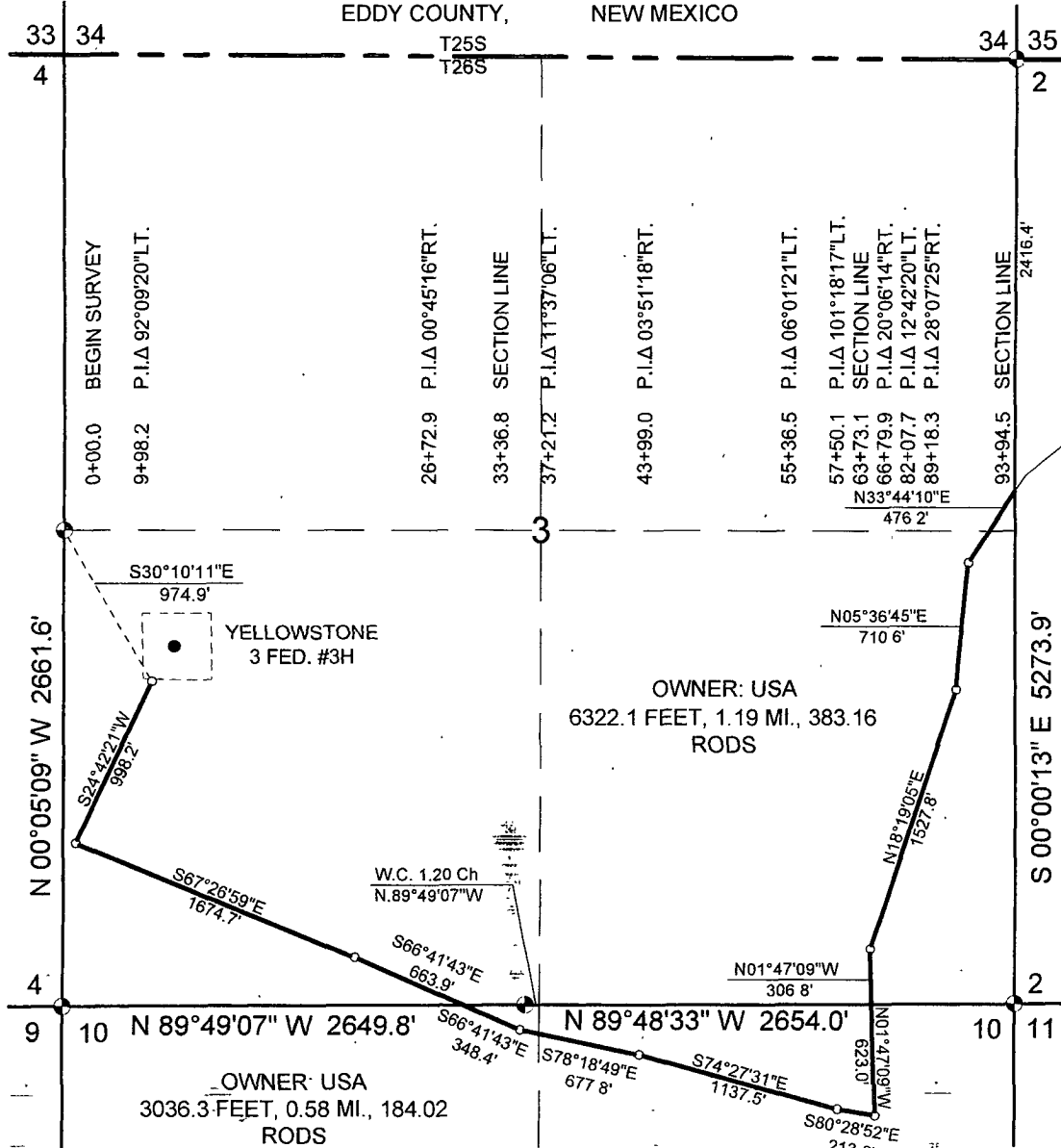
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

SECTIONS 3 & 10, TOWNSHIP 26 SOUTH, RANGE 25 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



A STRIP OF LAND 30 FEET IN WIDTH AND 9358.5 FEET, 1.77 MILES OR 567.18 RODS IN LENGTH, SITUATED IN SECTIONS 3 & 10, TOWNSHIP 26 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15 FEET LEFT AND 15 FEET RIGHT OF THE SURVEY OF CENTERLINE AS SHOWN HEREON.

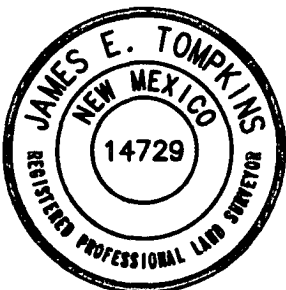
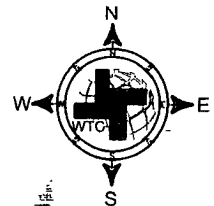
NOTES:

- 1 THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON
- 2 BASIS OF BEARING IS A TRANSVERSE MERCATOR PROJECTION OF THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, NAD-83

LEGEND

- USGLO BRASS CAP
- BEGIN, END, OR ANGLE POINT

1000 0 1000 2000 FEET



I, JAMES E. TOMPKINS, NEW MEXICO PROFESSIONAL SURVEYOR NO 14729, DO HEREBY CERTIFY THAT THIS PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

James E. Tompkins
JAMES E. TOMPKINS, N.M. P.L.S.

04/24/2012

No.14729

SURVEY DATE: 04/20/12 DRAFT GWS
JOB NO: WTC48506 SHEET 1 OF 2



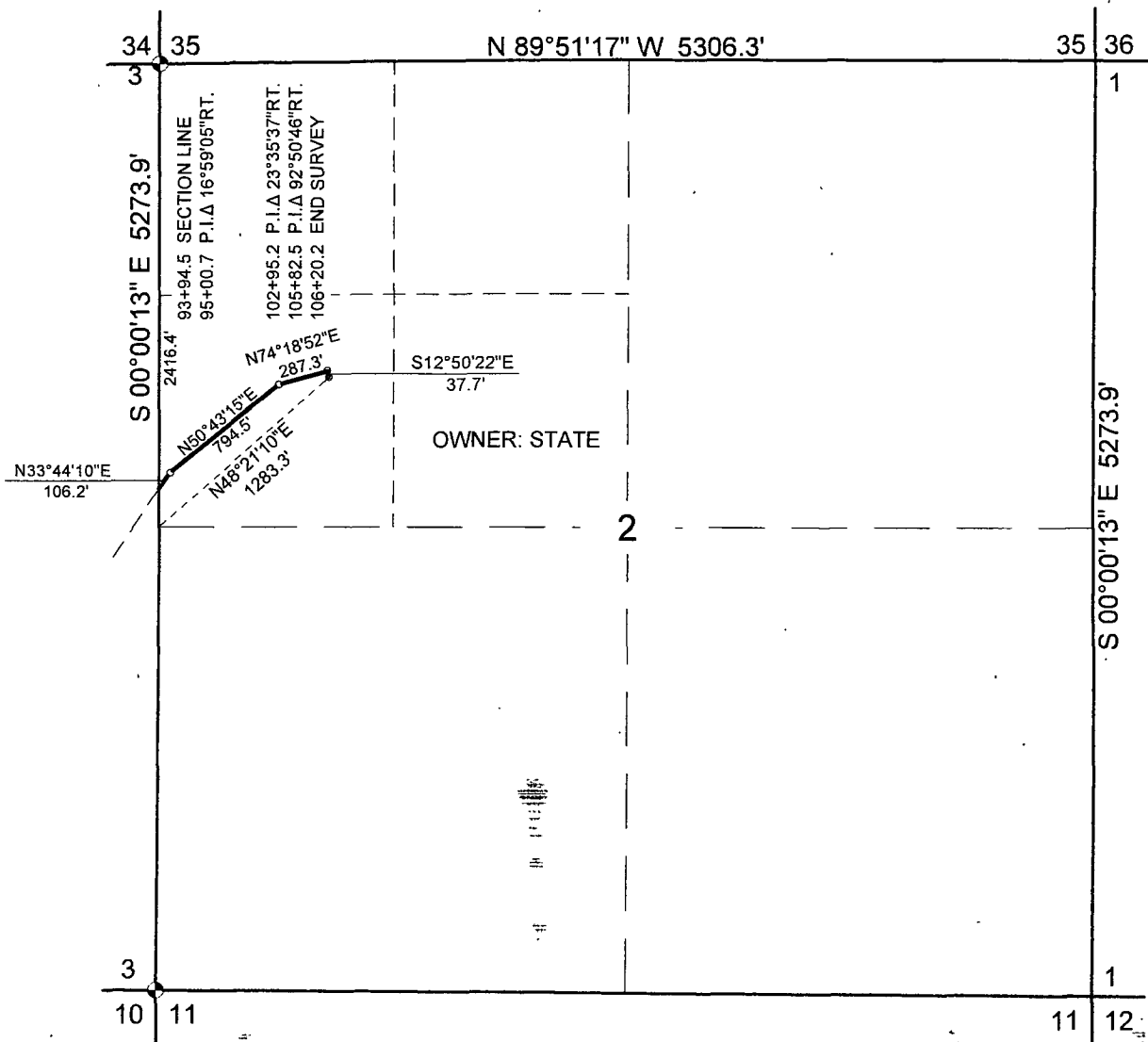
PROPOSED PIPELINE IN SECTION 3,
T. 26 S., R. 25 E., N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st Street
Andrews, TX 79714
(432) 523-2181

Received 3-25-12

SECTION 2, TOWNSHIP 26 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



A STRIP OF LAND 30 FEET IN WIDTH AND 1225.7 FEET, 0.23 MILES, OR 74.28 RODS IN LENGTH, SITUATED IN SECTION 2, TOWNSHIP 26 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15 FEET LEFT AND 15 FEET RIGHT OF THE SURVEY OF CENTERLINE AS SHOWN HEREON, AND ALL WITHIN THE SW4/NW4.

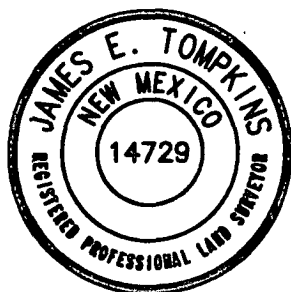
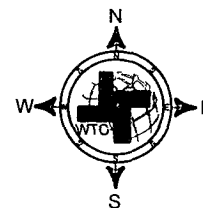
NOTES.

- 1 THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON.
- 2 BASIS OF BEARING IS A TRANSVERSE MERCATOR PROJECTION OF THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST-ZONE, NAD 83

LEGEND

- USGLO BRASS CAP
- BEGIN, END, OR ANGLE POINT

1000 0 1000 2000 FEET



I, JAMES E. TOMPKINS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 14729, DO HEREBY CERTIFY THAT THIS PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

James E. Tompkins
JAMES E. TOMPKINS, N.M. P.L.S. No 14729

SURVEY DATE: 04/20/12 DRAFT GWS
JOB NO.: WTC48506 SHEET: 2 OF 2



PROPOSED PIPELINE IN SECTION 2,
T. 26 S., R. 25 E., N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S W 1st Street
Andrews, TX 79714
(432) 523-2181

Received 3-25-12

BLM LEASE NUMBER: NM 108027
COMPANY NAME: Three Rivers Operating Co LLC
ASSOCIATED WELL NO. & NAME: Yellowstone 3 Federal No 3

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Sundry Notice and attachments, including stipulations, 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, 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 activity of 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. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

b. Activities of other parties including, but not limited to:

- (1) Land clearing.
- (2) Earth-disturbing and earth-moving work.
- (3) Blasting.
- (4) Vandalism and sabotage.

c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

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

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, 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, salt water, 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 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 the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair 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.

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. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. 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. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on 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 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.

16. Special Stipulations:

No Blading shall occur during the installation of the surface flowline
The pipeline shall be installed along existing roads for the entire route

The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by construction, and no pipe will be laid at that point until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required at such intersections, if any. Leak detection systems, back flow eliminators, and differential pressure shut-off valves may be required to minimize the impacts of leaking or ruptured pipelines. To eliminate these extreme possibilities, good record keeping is needed to quickly identify leaks for their immediate and proper treatment.