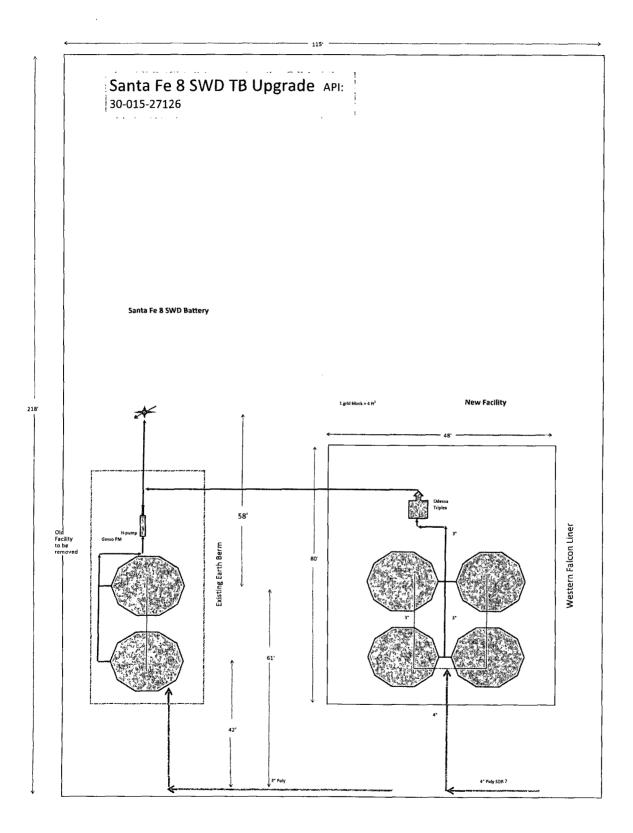
*					13-	1720	
Form 3160-5 (August 2007) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				1	FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010		
BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					5. Lease Serial No. NMNM67980		
					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRI	PLICATE - Other instruc	ctions on re	verse side.		7. If Unit or CA/Agree	ement, Name and/or No.	
 I. Type of Well I. Type of Well I. Gas Well I. Other 					8. Well Name and No. SANTA FE FEDERAL 8		
2. Name of Operator RKI EXPLORATION & PROD	AHN		9. API Well No. 30-015-27126				
210 PARK AVENUE, SUITE 900 Ph: 4). (include area code) 96-5771 6-5772)	10. Field and Pool, or Exploratory EAST HERRADURA BEND		
4. Location of Well (Footage, Sec., 7	C., R., M., or Survey Description)			11. County or Parish, and State		
Sec 35 T22S R28E Mer NMP	NENE 760FNL 460FEL				EDDY COUNT	Υ, NM	
12. CHECK APP	ROPRIATE BOX(ES) TO) INDICATI	ENATURE OF 1	NOTICE, RI	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION			TYPE OI	F ACTION			
Notice of Intent	Acidize Alter Casing	Dee	pen cture Treat	□ Product	ion (Start/Resume)	□ Water Shut-Off □ Well Integrity	
Subsequent Report	Casing Repair	—	v Construction	Recomp		Other	
Final Abandonment Notice	Change Plans	🗖 Plu	g and Abandon		arily Abandon	Production Facility Changes	
	Convert to Injection	🗖 Plu	g Back	🗖 Water D	Disposal	- <u>-</u>	
 Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f As illustrated on the attached move the tanks on the old pro 	ally or recomplete horizontally, rk will be performed or provide d operations. If the operation re- bandonment Notices shall be file inal inspection.) diagram, RKI Exploration duction facility to the new	give subsurface the Bond No. o sults in a multip ed only after all & Production	locations and measu n file with BLM/BIA le completion or reco requirements, includ	ared and true ve A. Required sub ompletion in a r ding reclamation authorization	rtical depths of all pertin osequent reports shall be rew interval, a Form 316 n, have been completed,	ent markers and zones. filed within 30 days 0-4 shall be filed once	
eliminated with the earth dike					<u>.</u>		
The new facility will have an in height, 48 feet in width and 80	npermeable (Falcon) liner) feet in length.				R	ECEIVED	
		Acce	pled for reco	103/203		SEP 1 1 2013	
				47	1 4 19.00		
Ok. See alla	ched COAs In	drockha	l 8/20/13		T MINIC	DCD ARTESIA	
14. I hereby certify that the foregoing is	s true and correct. Electronic Submission #/ For RKI EXPLORA Committed to AFMSS for p	ATION & PRO	DUCTION, sent to	o the Carlsba	d		
Name(Printed/Typed) CHARLES					RY MANAGER		
Signature (Electronic S	Submission)		Date 08/21/2	013			
	THIS SPACE FC	R FEDER	L OR STATE	OFFICE US	SE	<u></u>	
termine lance	$\rho \rho_{z}$	<u> </u>	Title SEX	1 (9-6-13	
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equ which would entitle the applicant to condu	uitable title to those rights in the		Office CFC	CARLSI	BAD FIELD OFFICE		
Title 18U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any p to any matter w	erson knowingly and ithin its jurisdiction.	l willfully to ma	ke to any department or	agency of the United	
** OPERAT	OR-SUBMITTED ** O	PERATOR	SUBMITTED *	* OPERAT	OR-SUBMITTED	**	

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BLM Lease Number: NM 67980 Company Reference: RKI Exploration & Production Well Name & Number: Santa Fe Federal 8 (Sec.35; T22S, R28E)

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the application (Grant/Sundry Notice) 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.

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

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statues.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil of 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.

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5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. 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.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. 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 the roads, pads, associated 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.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

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12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6_{1} inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. 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
(x) seed mixture 2	() seed mixture 4
() seed mixture 2/LPC	() Aplomado Falcon Mixture

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

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 $\frac{1}{2}$ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the

containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Exclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. Special Stipulations:

No pad expansion has been authorized.

Carlsbad Field Office NEPA Checklist

ANFPA_#:DOI-BLM-NM-P020-2013-17	20-DNA	Proiect Type:		TERY	Ber	cd Date: 08/23	
ence Number:NM67980	F	Project Name: SANTA DE FEDERAL 8			Ro		
ct Lead: DAHAL, INDRA	4	Applicant:		RATION & PRODUCTION LLC		view Due:	
	IEPA Coordinato	or Initial Revie	ew 🗆 N	IEPA Coordinator Final Review			
Resource/Activity	Not Present	Not Impacted	**May be Impacted	Reviewer	COAs/Stips Req	Sign Off Date	
Wastes, Hazardous or Solid*				Dahal, Indra			
Public Health and Safety						08/30/2013	
Environmental Justice*						08/30/2013	
General Topography/Surface Geology				Dahal, Indra			
Prime or Unique Farmlands*							
Lands/Realty, ROW				Dahal, Indra		08/30/2013	
Access/Transportation				"kon uning - 2000 - 201			
Vegetation/Forestry							
Livestock Grazing				Dahal, Indra		08/30/2013	
Invasive, Non-Native Species*							
Soils				Dabal Indra		08/30/2013	
Air Quality*				Dahal, Indra			
Floodplains*						08/30/2013	
Water Quality Surface/Ground*				Dahal, Indra			
Watershed							
Mineral Materials				Dahal, Indra		08/30/2013	
Potash				Dahal, Indra		08/30/2013	
Federally Proposed, Threatened or Endangered Species*		Ē					
USFWS Concurrence				Dahal, Indra		08/30/2013	
Wetlands/Riparian Zones*							
Special Status Species							
Wildlife Habitat							
Cave/Karst Resources				Dahal, Indra		08/30/2013	
ACEC's*				Dahal, Indra		08/30/2013	
Wild/Scenic Rivers*							
Wilderness*				Dahal, Indra			
Outdoor Recreation						08/30/2013	
Visual Resources							
Native American Religious Concerns*	Unk	Unk	Unk			08/30/2013	
Cultural Resources*				Dahal, Indra			
Paleontology	Unk	Unk	Unk				

* "Critical Element" --- must be addressed in all NEPA documents

*1 May affect¹T&E, Not likely to be Adversely Affected *2 May affect T&E, likely to be Adversely Affected

** "Affected Element" ---must be addressed in the attached EA Reason for Delay:

Worksheet Determination of NEPA Adequacy (DNA) U.S. Department of the Interior Bureau of Land Management

OFFICE:	Carlsbad Field Office
TRACKING NUMBER:	DOI-BLM-NM-P020-2013-1720-DNA
CASEFILE/PROJECT NUMBER:	NM 67980
PROPOSED ACTION TITLE/TYPE:	Santa Fe Federal 8/ Relocating tank battery within the existing pad.
LOCATION/LEGAL DESCRIPTION:	Section 35; Township 22 South, Range 28 East
APPLICANT (if any):	RKI Exploration & Production

A. Description of the Proposed Action and any applicable mitigation measures

The applicant wishes to relocate the existing tank battery from the southwest corner to the southeast corner of the existing pad at Santa Fe Federal 8 with no new disturbance. The well location will remain at the original proposed location. There will be no changes to the original proposed surface use plan of operations.

Mitigation Measures: The previously approved Pecos District Conditions of Approval and standard stipulation for oil and gas related sites. The well location is as follows:

Surface Hole: 760 FNL & 460 FEL, Section 35, T. 22 S., R. 28 E Bottom Hole: Same

B. Land Use Plan (LUP) Conformance

LUP Name*	Carlsbad Resource Management Plan (RMP)	Date Approved	September of 1988
Other document	Carlsbad Approved Resource Management Plan Amendment (RMPA) and Record of Decision	Date Approved	October 1997

* List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)

The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

October 1997 Carlsbad Approved Resource Management Plan Amendment and Record of Decision, p. 4 which states:

Provide for the leasing, exploration and development of oil and gas resources within the Carlsbad Resource Area. Approximately 3,907,700 acres (95% of the oil and gas mineral estate) will be open to leasing and development under the BLM's standard terms and conditions, the Surface Use and Occupancy Requirements, the Roswell District Conditions of Approval, and the Practices for Oil and Gas Drilling and Operations in Cave and Karst Areas.

The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions):

Not Applicable

C. Identify applicable National Environmental Policy Act (NEPA) documents and other related documents that cover the proposed action.

List by name and date all applicable NEPA documents that cover the proposed action.

Environmental Assessment: NM-067-92-986; Approved 09/10/92.

List by name and date other documentation relevant to the proposed action (e.g., biological assessment, biological opinion, watershed assessment, allotment evaluation, and monitoring report).

None

Additional project documentation can be reviewed in the case files, available at the Carlsbad Field Office (CFO), for the above well locations.

D. NEPA Adequacy Criteria

1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?

Documentation of answer and explanation: The proposed action is the same as the originally approved action. There will be no changes to the original proposed well location or surface use plan of operations.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, and resource values?

Documentation of answer and explanation: The range of alternative analyzed in the existing NEPA documents is the same as the new proposed action. The current environmental concerns, interests, and resource values are still the same.

3. Is the existing analysis valid in light of any new information or circumstances (such as, rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action?

Documentation of answer and explanation: The existing analysis is still valid in light of any new information or circumstances, because the analysis is the same and no changes have been made to health standard assessments, the endangered species listings or sensitive species listed by the BLM. I can reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action at this time.

4. Are the direct, indirect, and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?

Documentation of answer and explanation: The direct, indirect and cumulative effects that would result from implementation or the new proposed action; both quantitatively and qualitatively to those analyzed in the existing NEPA documents would remain the same.

5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Documentation of answer and explanation: The public involvement and interagency review associated with the existing NEPA documents still remains adequate for the current proposed action.

NameTitleResource/
Agency RepresentedTanner NygrenNatural Resource SpecialistBLM

E. Persons/Agencies /BLM Staff Consulted

Note: Refer to the EA/EIS for a complete list of the team members participating in the preparation of the original environmental analysis or planning documents.

Conclusion (*If you found that one or more of these criteria is not met, you will not be able to check this box.*)

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of the NEPA.

Signature of Project Lead	Date
Signature of Responsible Official	9-6-13
Signature of Responsible Official	Date

Note: The signed Conclusion on this Worksheet is part of an interim step in the BLM's internal decision process and does not constitute an appealable decision. However, the lease, permit, or other authorization based on this DNA is subject to protest or appeal under 43 CFR Part 4 and the program-specific regulations.