

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
NMNM2748
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other Tank Battery

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

2. Name of Operator
Burnett Oil Co., Inc.

8. Well Name and No.
Gissler B2 Federal Tank Battery *CRD*

3a. Address
801 Cherry Street, Suite 1500
Fort Worth, Texas 76180

3b. Phone No. (include area code)
817-332-5108

9. API Well No. *30-015-27922*

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 23. T 17S, R30E

11. County or Parish, State
Eddy County, Texas

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplete 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 recompletion 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.)

Burnett Oil requests permission to install a combustor at the Gissler B2 Federal Tank Battery. Attached you will find a diagram of the current tank battery layout as well as a proposed location for the combustor and the manifold line connecting the tanks to the combustor. This map also show the location of the meter that will measure all gas going to the combustor unit.

The combustor is an EPA approved combustor. The meter on this unit will be a flow measurement system (FMS) which measures the flow rate of gas using thermal-dispersion flow measurement technology. Spec sheets for both the VCU (two sizes) and the FMS are attached. The flow rate of the gas to the combustors will be logged and reported monthly.

The location of the combustor unit was previously approved during a BLM on site on 27 August 2013.

We will file a subsequent sundry once the work has been completed and report the meter number assigned to each combustor.

Accepted for record
NMOCD *tes*
1-21-2013

RECEIVED
JAN 17 2014
NMOCD ARTESIA

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

Leslie M. Garvis

Title Regulatory Coordinantior

Signature *Leslie M. Garvis*

Date *9/27/13*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
/s/ Jerry Blakley

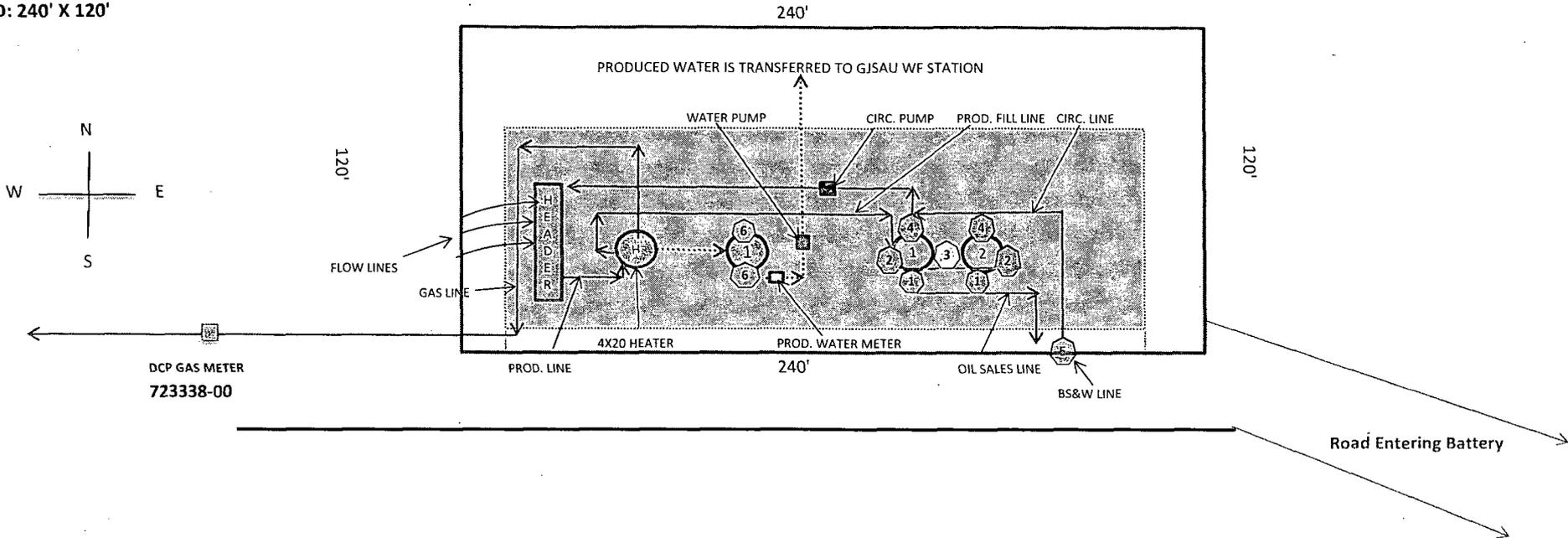
Title _____ Date *JAN 15 2014*

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.

BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 GISSLER B2 FEDERAL BATTERY
 SEC 23, T 17S, R 30E
 PAD: 240' X 120'



SITE LEGEND

- | | | |
|---|--|---|
|  500 BBL STEEL OIL SALES TANK
35222 |  300 BBL FIBERGLASS WATER TANK |  HEATER TREATER |
|  500 BBL STEEL OIL SALES TANK
35239 |  WATER LINE |  OIL LINE |
| |  GAS LINE |  FENCED FIREWALL |

VALVE LEGEND

- | | |
|--|--|
|  LOAD LINE VALVE |  CIRC LINE VALVE |
|  FILL LINE VALVE |  BS&W LOAD LINE VALVE |
|  EQUALIZER LINE VALVE |  WATER LINE VALVE |

**BURNETT OIL CO., INC.
 EDDY COUNTY, NM
 GISSLER B2 FEDERAL BATTERY
 SEC 23, T 17S, R 30E**

ATTACHMENT TO SITE FACILITY DIAGRAM

General sealing of valves, sales by tank guage

Production Phase:

Load Line Valves sealed closed. Fill valve to tank that is in production will be open.

Equalizer valve to tank that is in production will be open. Circulation valves will be opened as necessary, then resealed.

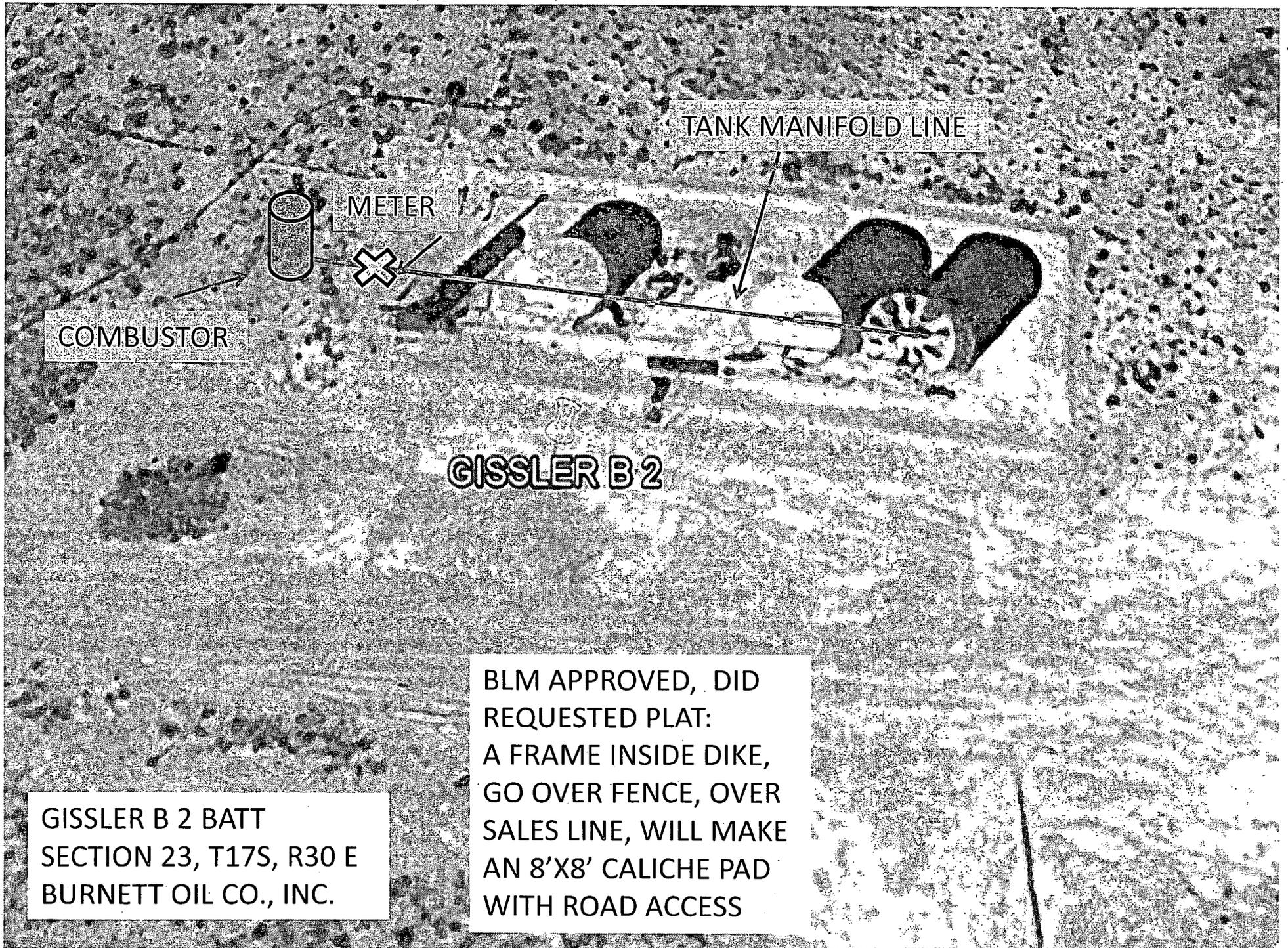
BS&W Load Line valve will be sealed at all times, unless cleaning tanks, then resealed once tank maintenance is complete.

Sales Phase:

The tank from which sales are being made will be isolated by sealing closed the fill line valve, circulating valve, and the equalizer valve during sales and opening the sales valve. Upon completion of the sale, the sales valve will be resealed.

Sales by truck will be by tank gauge.

	<u>VALVE</u>	<u>PRODUCTION PHASE</u>	<u>SALES PHASE</u>	<u>CIRCULATING</u>	<u>NOTE</u>
	LOAD LINE VALVE	CLOSED	OPEN	CLOSED	
	PRODUCTION FILL LINE VALVE	OPEN OR CLOSED	CLOSED	CLOSED OR OPEN	
	EQUALIZER LINE VALVE	OPEN	CLOSED	CLOSED OR OPEN	
	CIRCULATING LINE VALVE	OPEN OR CLOSED	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
	BS&W LOAD LINE VALVE	CLOSED	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
	WATER LINE VALVE	OPEN	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS



COMBUSTOR

METER

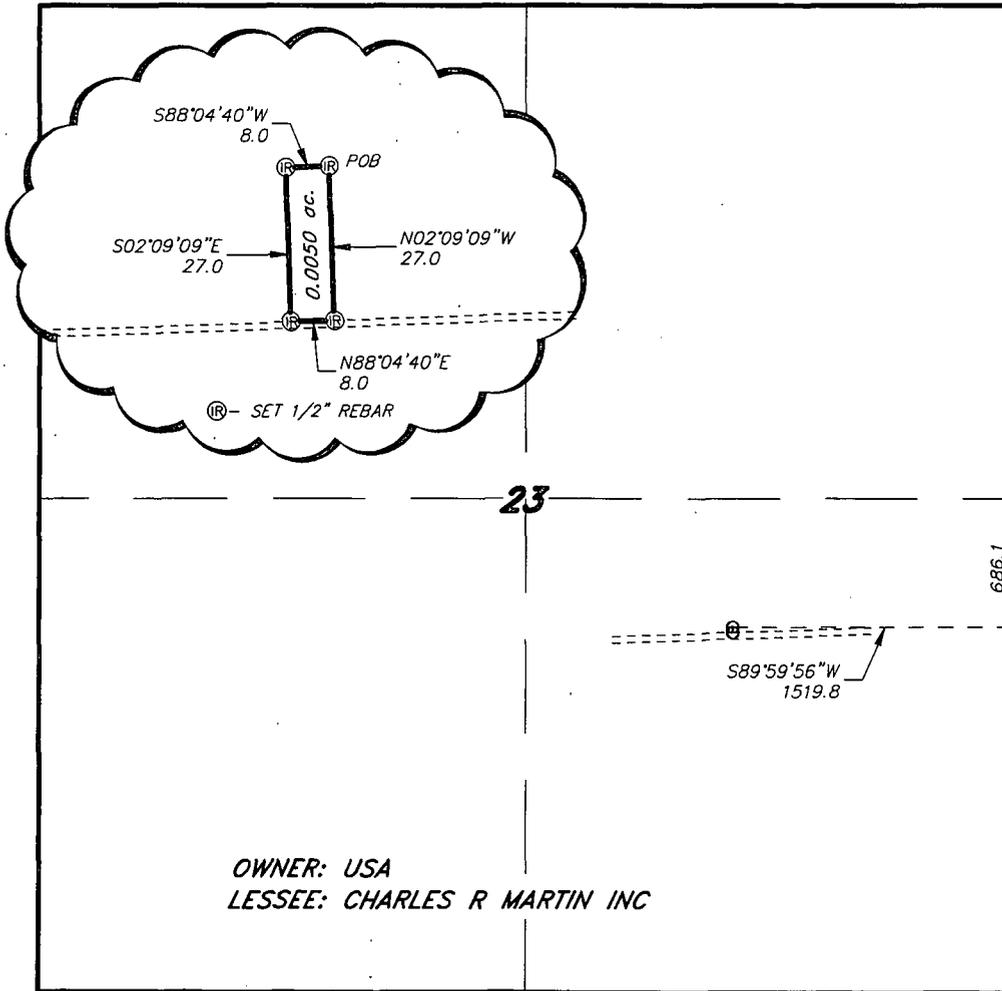
TANK MANIFOLD LINE

GISSLER B 2

GISSLER B 2 BATT
SECTION 23, T17S, R30 E
BURNETT OIL CO., INC.

BLM APPROVED, DID
REQUESTED PLAT:
A FRAME INSIDE DIKE,
GO OVER FENCE, OVER
SALES LINE, WILL MAKE
AN 8'X8' CALICHE PAD
WITH ROAD ACCESS

SECTION 23, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



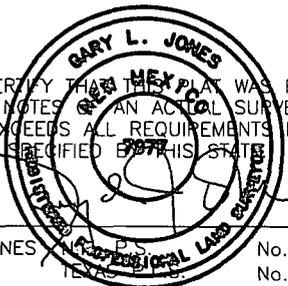
OWNER: USA
 LESSEE: CHARLES R MARTIN INC

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 23, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH LIES S00°00'00\"/>

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
 No. 5074



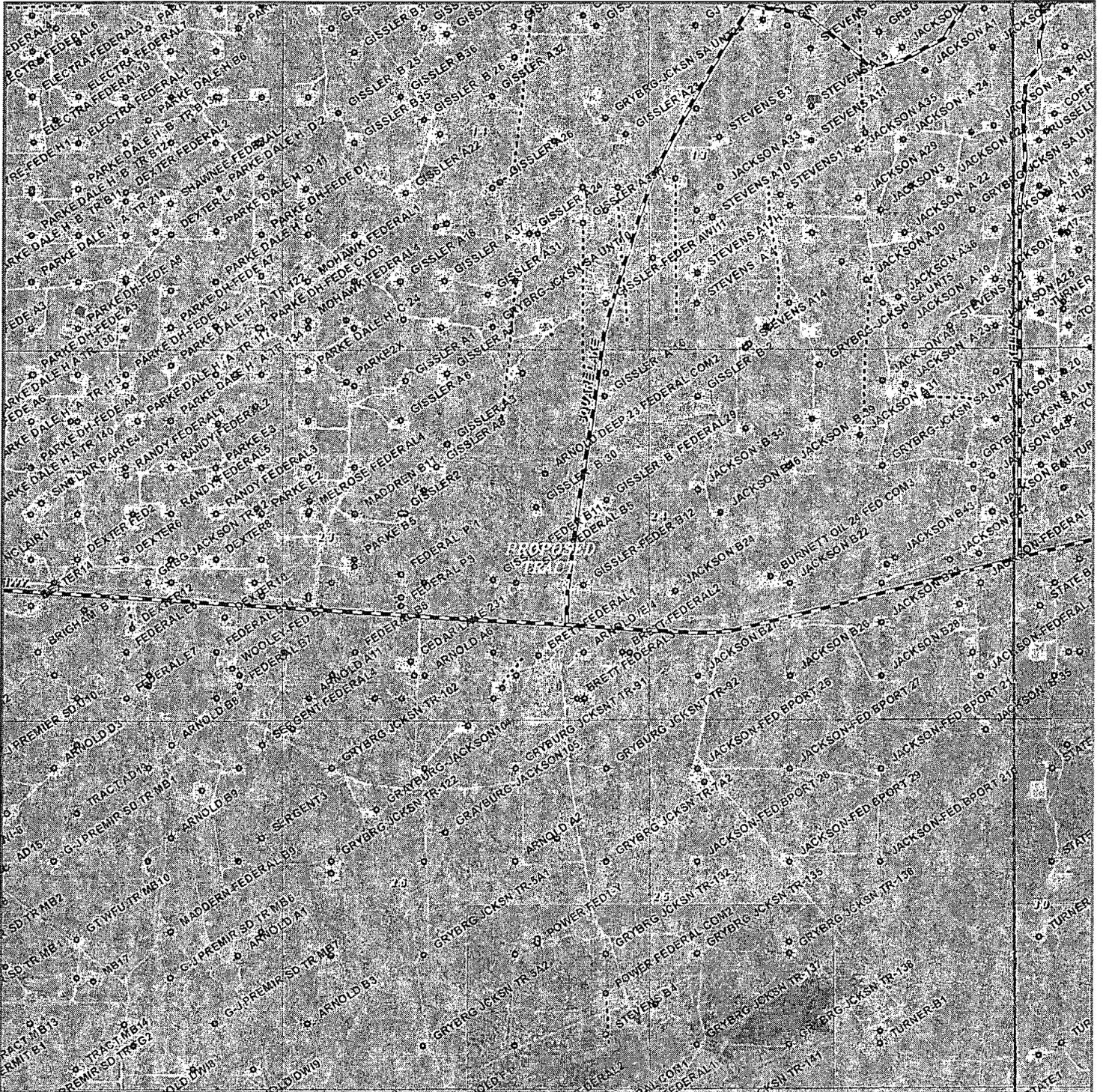
Burnett Oil Co., Inc. 6666

REF: PROPOSED GISSLER B 2 TANK BATTERY EXTENSION

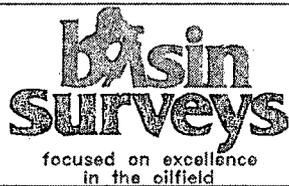
A TRACT OF LAND LOCATED ON USA LAND IN
 SECTION 23, TOWNSHIP 17 SOUTH, RANGE 30 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786 (575) 393-7316 - Office
 1120 N. West County Rd. (575) 392-2206 - Fax
 Hobbs, New Mexico 88241 basinsurveys.com



PROPOSED GISSLER B 2 TANK BATTERY EXTENSION
 Section 23 Township 17 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

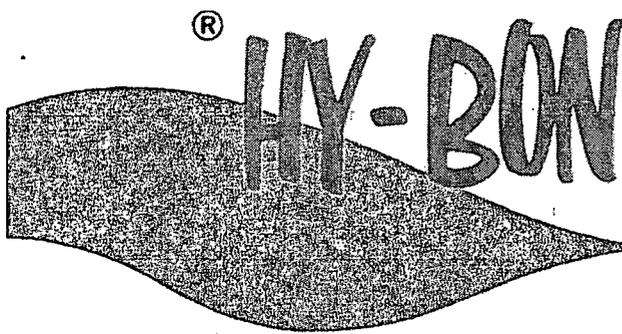
W.O. Number: JG 29390-1

Survey Date: 9-21-2013

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

Burnett Oil Co., Inc.

6666



Engineering Company, Inc.

(432) 697-2292 (432) 520-2292 Fax (432) 697-2310
P. O. BOX 4185 MIDLAND, TEXAS 79704
2404 COMMERCE MIDLAND, TEXAS 79703
www.hy-bon.com

DATE: 8/8/2013
TO: Calvin Bankes
QUOTE NO.: Q20327RF Revised 8-8-13
REFERENCE: Artesia Locations
MODEL: The Abutec 20 & Abutec 100 Vapor Combustor Unit

Dear Calvin:

In response to your inquiry, HY-BON Engineering, Co. is pleased to offer the following proposal for a HY-BON enclosed Vapor Combustor Unit (VCU). There are two models: **Abutec 20** (up to 22 mcf) and **Abutec 100** (up to 100 mcf) Medium Temperature Flares (MTF). Our VCU design incorporates HY-BON's 60+ years' experience with tank vapors with a combustor design which is highly effective, tested and certified "99% plus" for destruction of vent emissions from oil and condensate tank batteries, loading operations and storage facilities. The following items will show the advantages and benefits of incorporating this equipment into the Storage Tank facility:

ADVANTAGES OF USING HY-BON's UNIQUE Combustor Technology:

- **Operating Temperatures** up to 2100 degrees Fahrenheit
- **Compact & Easy to Install Design** (UNIT ARRIVES FULLY ASSEMBLED AND TESTED)
- **Eliminate Pilot Gas and operate on Process Gas ONLY**
- **Completely Enclosed Combustion** prevents the environment from being exposed to IR radiation, heat and light. Low risk of fire.

Economically Efficient Vapor Elimination:

- Our enclosed VCU is a stainless steel enclosed flare design capable of meeting industry's regulations while offering you significant cost savings. This flare is proven throughout the world and is scalable to your application.
- Highest Destruction Removal Efficiency (DRE) in the industry
- Our Combustors are tested and certified according to EPA 40 CFR 60, subpart OOOO. The MTF model achieves 99%+ DRE
- Offers "Alternate Operating Scenario" for Permit Compliance during maintenance of Vapor Recovery Units and other site operations.

Other relative points to note for the *Abutec 20* and *Abutec 100*:

- CDM Compliant
- EPA 40 CFR 60, Subpart OOOO Compliant
- Completely Enclosed Combustion
- Low Capital and Operating Costs
- Meets 40 CFR 60.18 regulations
- 99%+ Destruction Efficiency (third party verified)
- Very High Turndown Ratio
- Only requires 220 btu/ft³ gas to maintain combustion
- Fully automated system based on pressure, with data logging on temperature, pressure, run time (additional parameters optional).
- Output via thumb drive, to a SCADA system, or wireless connection to company computer or IPHONE.
- High Temperature Flares (HTF) with 99.99% DRE are also available

Stack/Vent Height

- Stack/Vent height is important in dispersion of emissions and permitting.
- Effective stack height shall be calculated by the equation specified in 30 TAC §111.151(c) http://www.tceq.state.tx.us/assets/public/permitting/air/Announcements/o_g_pro_010018106.pdf
- The *Abutec 20* and *Abutec 100* are normally 16 ft. stack height but come with the option of 20 ft. stack height

Technical Summary:

Flare Gas Stream: *Abutec 20 Mscfd*

Type: Enclosed Tank Battery Flare Composition: 2200 btu/ft³ gas

Temperature: Ambient to 100°F +/- 20 deg°F

Flow Rate: up to 22,110 scfd (standard cubic feet per day) or 15 scfm

Auxiliary Fuel Requirements: N/A

Burner Size: 2.39 million BTU/hr (0.7 MW)

Inlet Pressure Requirements: 2-4 oz/in² (3.5-7.0 "w.c.")

Turndown Ratio: 2:1

Mechanical

Design Wind Speed: 100 mph

Ambient Temperature: -30 deg°F up to 120 deg°F

Electrical Area Classification: General Area Classification (non-hazardous)

Elevation: Up to 3,000 ft ASL – please advise if higher elevation

Process

Smokeless Capacity: 100% Operating Temperature 1400 deg°F to 2100 deg°F (1500 deg°F Nominal); Retention Time 0.3 sec Flare Inlet Pressure 2-4 oz/in² (3.5-7.0 "w.c.")

Utilities

Pilot Gas Process Gas

Electricity 1 Phase, 60 Hz, 120V / 10A (Solar Option) Auxiliary Fuel N/A

Emissions

Destruction Efficiency: 99% DRE

Flare Gas Stream: Abutec 100 Mscfd

Type: Enclosed Tank Battery Flare

Composition: 2200 btu/ft³ gas

Temperature: Ambient to 100°F +/- 20 deg°F

Flow Rate: up to 100,000 scfd (standard cubic feet per day) or 69.5 scfm

Auxiliary Fuel Requirements: N/A

Burner Size: 9.21 million BTU/hr (2.7 MW), Inlet Pressure Requirements 2-4 oz/in² (3.5-7.0 "w.c.") Turndown Ratio 5:1

Mechanical

Design Wind Speed: 100 mph

Ambient Temperature: -30 deg°F up to 120 deg°F

Electrical Area Classification: General Area Classification (non-hazardous)

Elevation: Up to 3,000 ft ASL – please advise if higher elevation

Process

Smokeless Capacity: 100%

Operating Temperature: 1400 deg°F to 2100 deg°F (1500 deg°F Nominal); Retention Time 0.3 sec

Flare Inlet Pressure: 2-4 oz/in² (3.5-7.0 "w.c.")

Utilities

Pilot Gas Process Gas

Electricity 1 Phase, 60 Hz, 120V / 10A (Solar Option) Auxiliary Fuel N/A

Emissions

Destruction Efficiency: 99% DRE

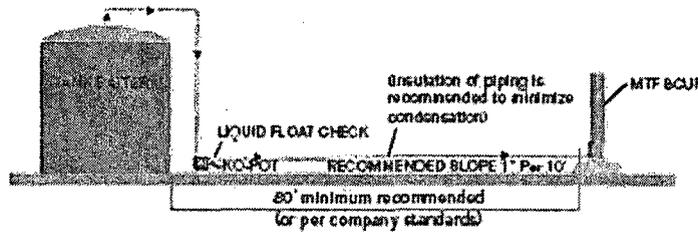
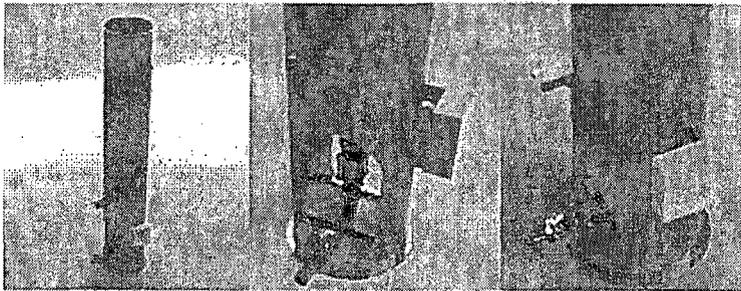
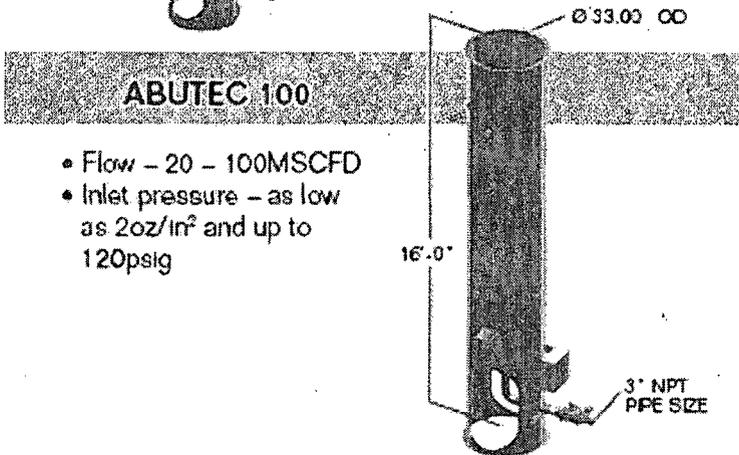
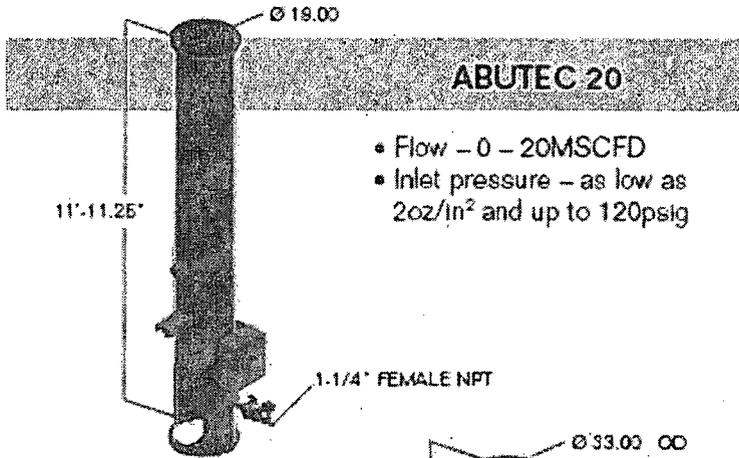
EPA Federal Environmental Compliance:

- The recent publication of the Federal Register applies the Quad O New Point Source regulations that state that all Storage Tank facilities constructed on or after August 23, 2011 will need to be at or below 6 Tons of VOC's per year.
 - Includes new source performance standards for VOC's and sulfur dioxide and new air toxics standards for oil and natural gas production and natural gas transmission.
 - "Condensate & crude oil storage tanks – Effects every tank battery (and all major modifications) installed since August 2011 with the "potential to emit" 6 tons or more of VOC's. This equates to 20 to 50 barrels of oil a day throughput, or 1 to 10 barrels of condensate – *basically every new tank battery in the United States.*
 - Requires all crude oil and condensate tanks to control their air toxics by at least 95 percent. In addition, emissions from these tanks will be counted towards determining whether a facility is a major source.
 - These new regulations require, by federal statute, a VRU, Combustor or a Flare on every new or modified oil and condensate tank battery across the United States installed or modified since August 23, 2011. Each site must be in full compliance by October 15, 2013
 - The use of a HY-BON Enclosed Vapor Combustor, when combined with a HY-BON Vapor Recovery Tower and/or, HY-BON Vapor Recovery Unit (VRU) is considered a "Total Solutions Approach" to reducing emissions.

Health and Safety Concerns:

- Capturing storage tank vapors with an EVC reduces the potential for dangerous flammable vapors collecting in low areas on location during still days and/or potentially hazardous gases (Hydrogen Sulfide Gas) escaping, threatening human and animal life.

QUAD O COMPLIANT ENCLOSED VAPOR COMBUSTORS



HY-BON



VENT GAS MANAGEMENT

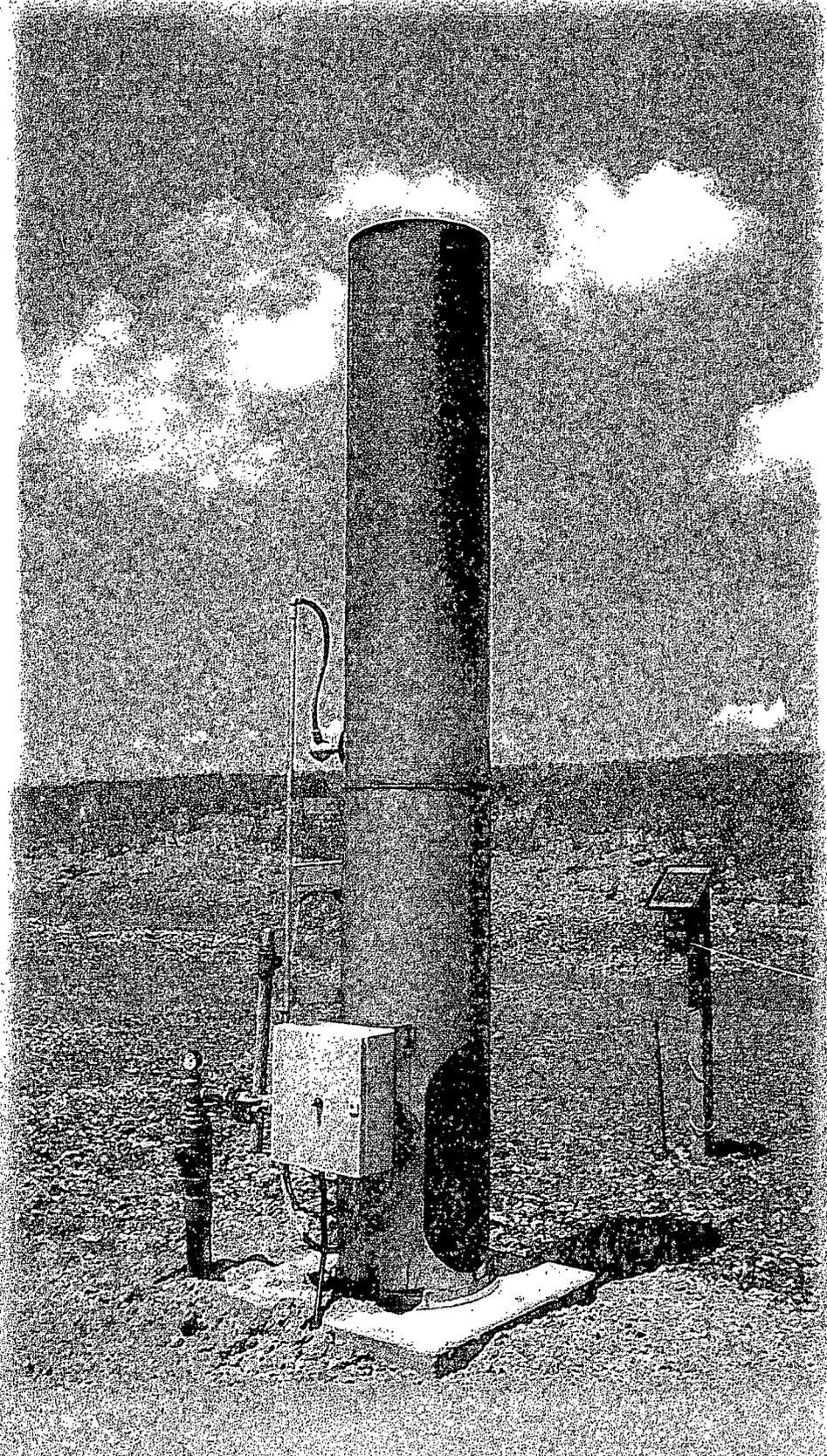
Vapor Combustor Unit

Enclosed Vapor Combustor Units can be used to destroy VOC's from a storage tank facility. The enclosed VCU provides a solution when vapor recovery is not economically viable, or as a backup for a Vapor Recovery Unit.

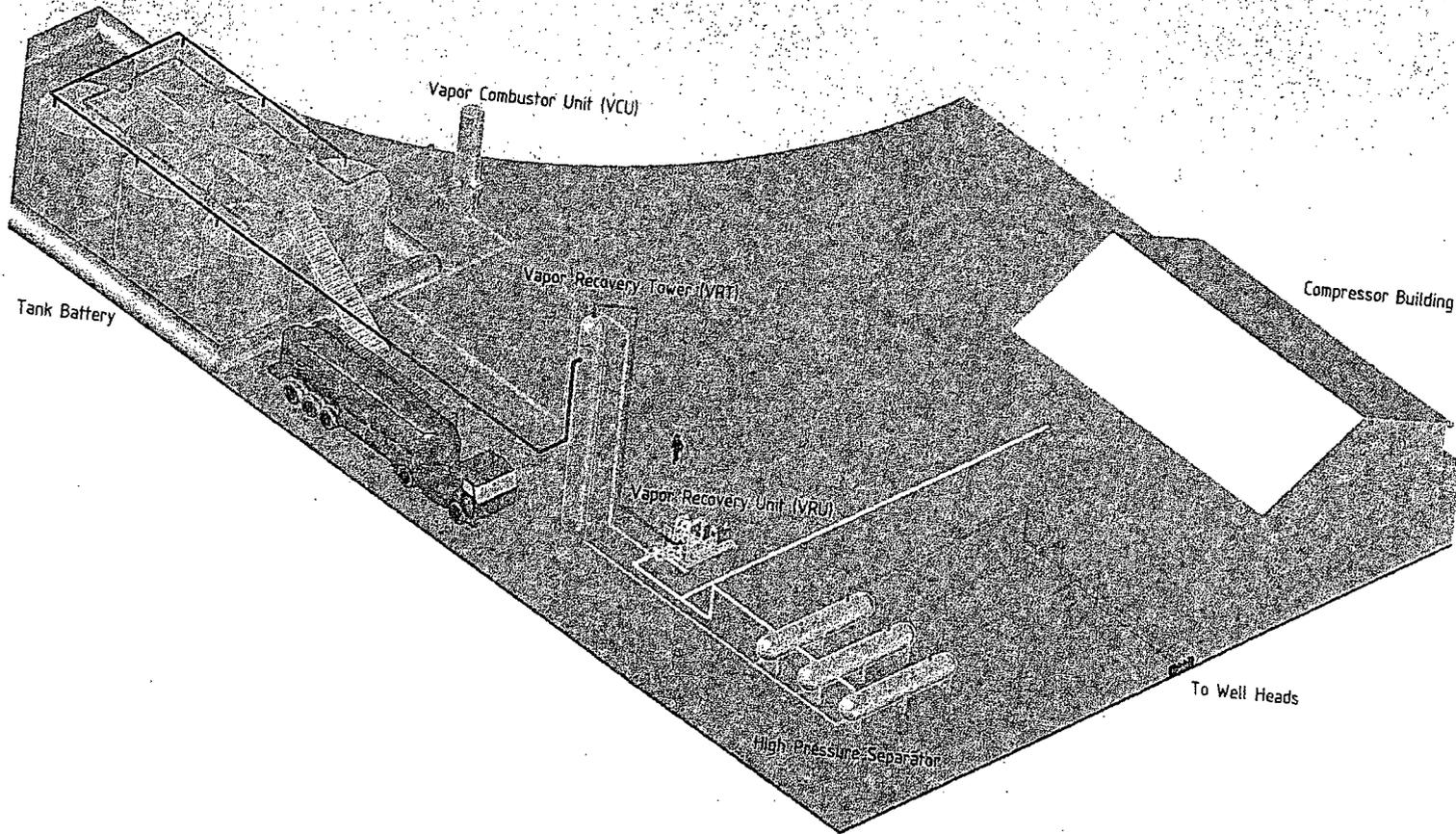
The enclosed VCU has been Quad O Performance Tested at 99% Destruction Removal Efficiency (DRE), exceeding the 95% DRE required by the new regulations. The VCU package includes a control box that logs operational data, as required in the new regulations.

The enclosed VCU has two standard sizes:

- Abutec 20: Up to 20 MSCFD
- Abutec 100: Up to 100 MSCFD



HY-BON's Total Solution Approach



HY-BON Engineering Company

2404 Commerce Drive
Midland, TX 79703

Phone: (432) 697-2292

Fax: (432) 697-2310

www.hy-bon.com

Electronic Design for Industry

100 Ayers Blvd.
Belpre, OH 45714

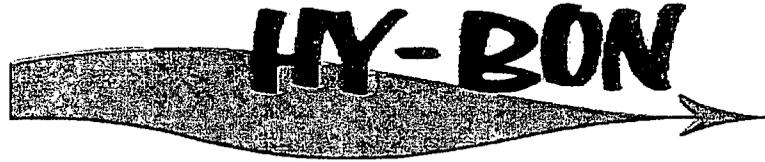
Phone: (740) 401-4000

Fax: (740) 401-4005

www.ediplungerlift.com



(740) 401-4000 Fax (740) 401-4005
100 AYERS BLVD. BELPRE, OHIO 45714
www.ediplungerlift.com



(423) 697-2292 (423) 520-2292 Fax (432) 697-2310
P.O. Box 4185 MIDLAND, TEXAS 79704
2404 COMMERCE MIDLAND, TEXAS 79703
www.hy-bon.com

Flow Measurement System

The Flow Measurement System measures the flow rate of gas using thermal-dispersion flow measurement technology. The system can be configured to measure the flow rate in SCFM, SCFH, MCFH or MCFD. The current flow rate is displayed on the LCD screen. The system records logs at a configurable interval from 1 second to 10 minutes. Interval logs include the flow rate, minimum flow rate, maximum flow rate, and average (median) flow rate. The logs can be saved to a USB key as a CSV file and opened in Excel. These logs meet the **EPA Quad O** reporting requirements.

Technical Specifications

MEMORY

512KB EEPROM Memory
Stores all settings and Interval Logs

POWER

Operating Voltage: 24 VDC
Power Supply: 100-240 VAC input / 24 VDC output

LCD SCREEN

4 line x 20 Character LCD Screen

INPUTS

Flow Probe (0-100 fps)
Input Range: 4-20ma
Supply Voltage: 24 VDC

ENVIRONMENTAL

Operating Temperature: -30°C to 85°C (-22°F to 185°F)
Operating Humidity: 5 to 95%, non-condensing

ENCLOSURE

Weatherproof Painted Steel Enclosure
UL Types 12 & 13
CSA Type 12
NEMA Types 12 & 13
Dimensions: 10" H x 10" W x 6" D

INSTRUMENT

Media Compatibility: All gas and liquids compatible with 316 stainless steel.
Process Connection: Insertable ½" NPT
Accuracy: +- 1 % of reading, +-0.5 % of full scale+-0.05 SFPS
Repeatability: +- 0.5 of reading
Flow Range: From 0 to 100 ft/sec velocity; flow range depends on pipe size.
Operating Pressure: 150 psig Teflon ferrule, 500 psig stainless Ferrule
Operating Temperature: Standard -40F to 250F
Materials of Construction: (wetted parts) 316L stainless steel with Hastelloy C-22 thermowells.

TRANSMITTER/ELECTRONICS

Enclosure: NEMA 4X, Anodized aluminum
Operating Temperature: -40F to 160F
Output Signals: 4-20mA (500 ohm max load)
Input Power: 24Vdc Max 2.5 Watts.

AGENCY APPROVALS

FM & FMc / CE Mark:
Class I Division 2, Groups A, B, C & D
Class II Division 2, Groups E, F, & G
Class III, T4 @ Ta= 71C type 4X
NEMA Enclosure: Nonincendive

COMMERCIAL:

Unit price 1 piece:	US\$6,500.00 FOB, Belpre, Ohio
Unit price 5 piece:	US\$6,175.00 FOB, Belpre, Ohio
Unit price 10 piece:	US\$5,850.00 FOB, Belpre, Ohio
Delivery:	1 Unit: 8 Weeks from date of order

If you have any questions or comment on the above data, please do not hesitate to contact the undersigned.

Thank you and best regards,

Scott Baker

Sales EDI
Office 740-401-4000
Cell 740-525-1838
sbaker@ediplungerlift.com
www.ediplungerlift.com

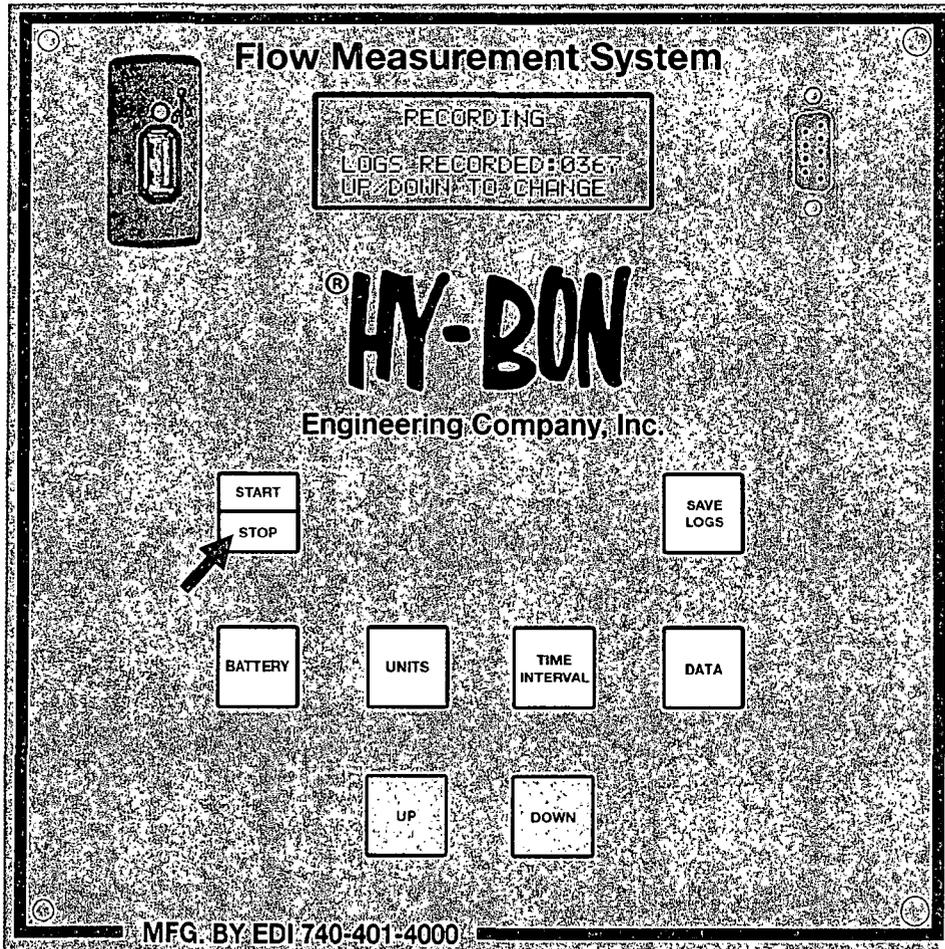
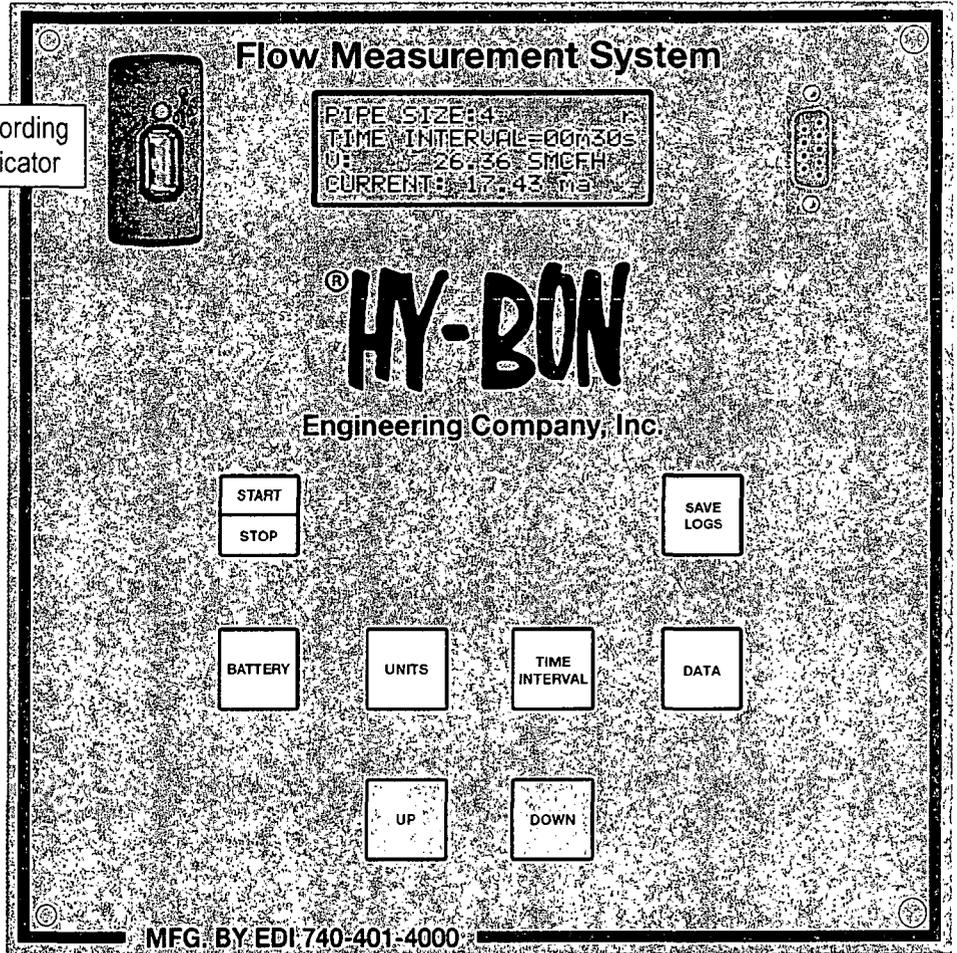
HY-BON Flow Measurement System—Screens

Main Screen
(No buttons pressed)

PIPE SIZE: 4
 TIME INTERVAL=00m30s
 U: 26.36 SMCFH
 CURRENT: 17.43 mA

PIPE SIZE: 4
 TIME INTERVAL=00m30s
 U: 26.36 SMCFH
 CURRENT: 17.43 mA

Recording
Indicator



Start / Stop Button

RECORDING
 LOGS RECORDED: 0367
 UP/DOWN TO CHANGE

NOT RECORDING
 LOGS RECORDED: 0367
 UP/DOWN TO CHANGE

HY-BON Flow Measurement System—Screens

Save Logs Button

SAVE LOGS TO USB KEY
UP/DOWN TO START

Wait while it initializes the USB module:

SAVE LOGS TO USB KEY
PLEASE WAIT

If USB key has not already been inserted:

SAVE LOGS TO USB KEY
PLEASE INSERT DRIVE!
UP/DOWN TO CANCEL

SAVE LOGS TO USB KEY
PLEASE WAIT
SAVING LOGS

SAVE LOGS TO USB KEY
OPERATION COMPLETE

Flow Measurement System

SAVE LOGS TO USB KEY
UP/DOWN TO START

HY-BON
Engineering Company, Inc.

START
STOP

SAVE LOGS

BATTERY UNITS TIME INTERVAL DATA

UP DOWN

MFG. BY EDI 740-401-4000

Battery Button

BATTERY VOLTAGE
24.81V

Flow Measurement System

BATTERY VOLTAGE
24.81V

HY-BON
Engineering Company, Inc.

START
STOP

SAVE LOGS

BATTERY UNITS TIME INTERVAL DATA

UP DOWN

MFG. BY EDI 740-401-4000

HY-BON Flow Measurement System—Screens

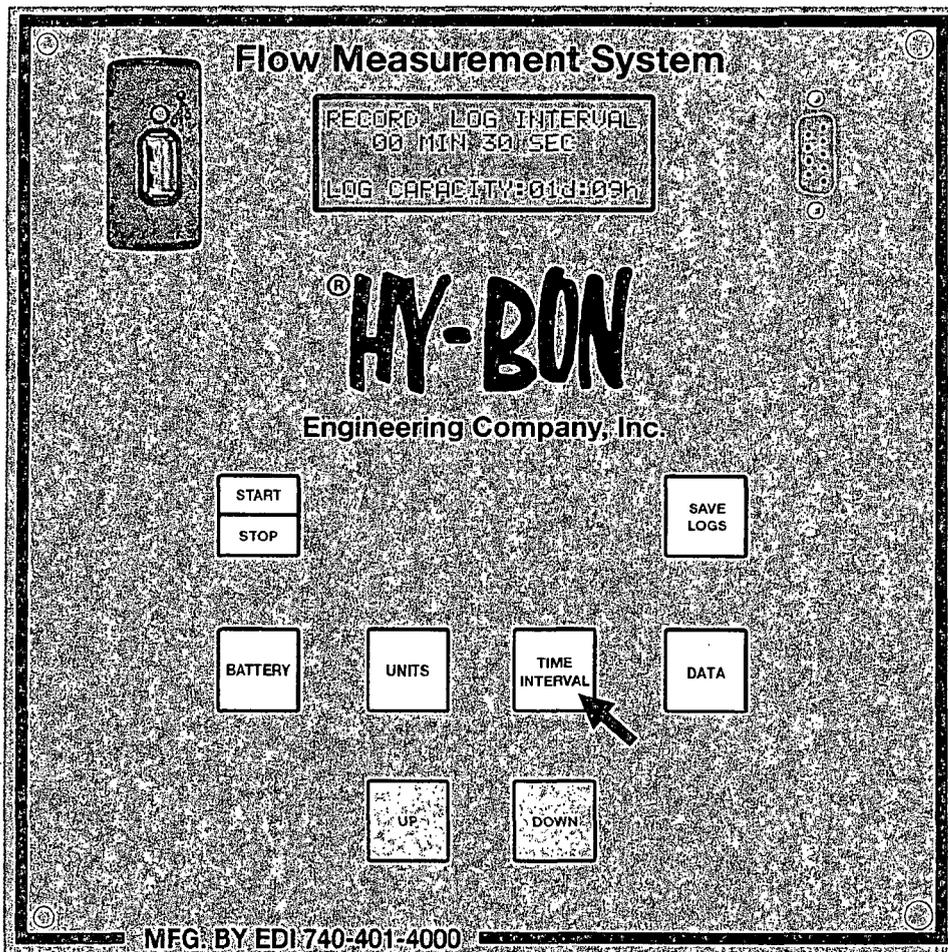
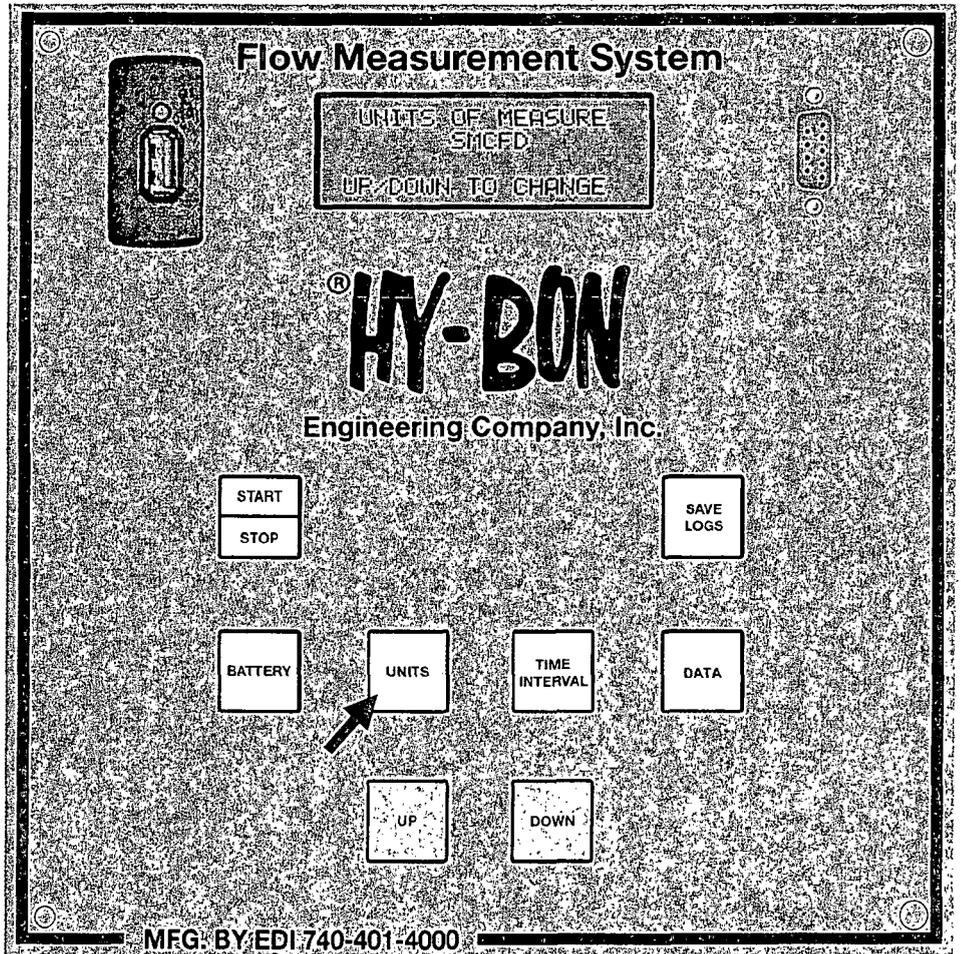
Units Button

UNITS OF MEASURE
SCFH
UP/DOWN TO CHANGE

UNITS OF MEASURE
SCFH
UP/DOWN TO CHANGE

UNITS OF MEASURE
SMCFH
UP/DOWN TO CHANGE

UNITS OF MEASURE
SMCFD
UP/DOWN TO CHANGE



Time Interval Button

RECORD LOG INTERVAL
00 MIN 30 SEC
LOG CAPACITY: 01#00h

HY-BON Flow Measurement System—Screens

Data Button

PIPE SIZE:
74
UP/DOWN TO CHANGE

ERASE LOGS
UP/DOWN TO CLEAR

ERASE LOGS
LOGS CLEARED

SET REAL TIME CLOCK
12/31/06
00:01:24
UP/DOWN TO CHANGE

12/31/13
00:01:26
SET YEAR: 13

05/31/13
00:01:42
SET MONTH: 05

05/23/13
00:02:03
SET DAY: 23

05/23/13
09:02:17
SET HOUR: 09

05/23/13
09:27:39
SET MINUTES: 27

05/23/13
09:27:51
IS THIS CORRECT?
UP=YES DOWN=NO

The main screen displays the following elements:

- Flow Measurement System** (Title)
- PIPE SIZE:** 74 (with UP/DOWN TO CHANGE controls)
- HY-BON Engineering Company, Inc.** (Logo)
- START** and **STOP** buttons
- SAVE LOGS** button
- BATTERY**, **UNITS**, **TIME INTERVAL**, and **DATA** buttons (with an arrow pointing to DATA)
- UP** and **DOWN** buttons
- MFG. BY EDI 740-401-4000** (Footer)

BLM Lease Number:

NMNM2748, NMNM2747, NMLC029338A, NMLC030570A, NMLC029415A, NMLC055958.

Company Reference: Burnett Oil Company.

Well Name & Number:

Gissler B 3-1 Federal Tank Battery
Jackson B 2 Federal Tank Battery
Gissler A Federal Tank Battery
Stevens A Federal Tank Battery
Jackson B 5 Federal Tank Battery
Gissler B 3-2 Federal Tank Battery
GJSAU Federal Tank Battery
Partition Federal Tank Battery
Stevens B Federal Tank Battery
Gissler B 2 Federal Tank Battery
Jackson A Yeso & Grayburg Federal Tank Battery

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

A copy of the 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 statutes.
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 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.

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. 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.

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).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 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.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

14. 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.

15. 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.