

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		Facilities	5. Lease Serial No. SHL: NM 0556863
2. Name of Operator XTO Energy Inc.			6. If Indian, Allottee or Tribe Name
3a. Address 200 N. Loraine, Ste. 800 Midland, TX 79701		3b. Phone No. (include area code) 432-620-6714	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 2015 FNL & 505 FWL (E), Sec. 18, T23S, R30E BHL: 2015 FNL & 360 FEL (H)		9. API Well No. 30-015-37194	8. Well Name and No. Nash Unit #42H
		10. Field and Pool, or Exploratory Area Nash Draw; Brushy Canyon Unit Area	11. County or Parish, State Eddy NM

12. CHECK 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 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/BLA. Required subsequent reports shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

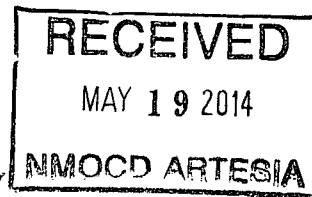
XTO Energy, Inc respectfully requests to consolidate 13 existing tank batteries into 3 existing tank batteries and route all gas and oil to TB-42, TB-39 & TB-56 where we will connect to a gas purchaser allowing improved oil/gas producing reliability. Construction and initial reclamation is expected to take 8 months. Final reclamation of all unused tank batteries is expected to take no more than 2-years.

See attached plat for full length of pipe activities following existing road corridors or DCP right-of-ways.

See attached documentation for summary and further project details.

Provide appropriate POD's to transporter(s).

DOWN 10/5/14
NMCD
Accepted for record



Surface OK - See Attached COA's JR 4/23/14

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Stephanie Rabadue	Title Regulatory Analyst
Stephanie Rabadue	Date 2/12/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Cory J. Layton	Title MR S	Date 05/05/14
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 CFO	

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

NASH UNIT CONSOLIDATION of BATTERIES SUMMARY

XTO Energy is working toward further reduction of the production footprint in the Nash Unit Lease. Our plans will result in a multi-phase transition. Plans indicate that a 10" poly gas line will be laid in a ditch and buried coming from the Nash T/B 56 and Nash T/B 39 and will join mid-field into a 12" poly gas line that will flow toward the Nash T/B 42H area where we will custody transfer to Enterprise Products. The gas-production from Nash 42H T/B will tie into the 12" gas line prior to the compressor also. At the time the 10" to 12" poly gas lines are ditched and laid, we will also lay a 6" crude gathering line in the same ditch and all will be buried. The 6" crude gathering line will transfer crude from the Nash T/B 39 and Nash T/B 56 to the Nash 42H T/B and will be sold on that location via LACT truck sales and will have the capability to tie into a crude pipeline LACT in the future. The crude gathering system will provide for the sale of crude from Nash 42H location which is located closest to Rawhide road. It is our expectation to reduce the amount of truck travel that is currently taking place within the Unit. Part of the consolidation will require the re-routing of some of the flowlines from the well to the tank batteries. The old 2" and 3" poly flowlines will be replaced by new 2" and 3" poly flowlines. These flowlines currently lie on top of the ground and follow the roads to their respective tank batteries. We will continue to use the same protocol with the re-routing of the flowlines. The old flowlines will be removed from the lease. Re-routing of a flowline to one of the three designated tank batteries will take place alongside the established roads on the lease.

Currently there are some anomalies to the tank battery numbers. There are some battery locations that are recognized as having separate production vessels, gas sales metering, tanks and accounting system which indicates 2 tank batteries sitting on one location. These tank batteries are the Nash 1 & 6, Nash 19 & 34, and the Nash 15 & 33. The remaining tank batteries are the Nash 9, Nash 24, Nash 36, Nash 38, Nash 39, Nash 42H and Nash 56. This is the make-up of the 13 tank batteries located on the Nash Unit. At the time of consolidation the 13 tank batteries will reduce to 3 main tank batteries which will be the Nash 39, Nash 42H and the Nash 56. Information below will indicate wells, which tank battery they currently flow to and which tank battery they will flow to after consolidation.

Individual sundries will be submitted to the BLM for each well being moved to the new tank battery indicating: when the well has been disconnected from the current battery, when the well is connected to the new battery and when production from the well has been established at the new battery.

Pressure Rating of New Lines

<u>Purpose</u>	<u>Line Size</u>	<u>Line Type</u>	<u>Buried/Surface</u>	<u>Maximum Rated Pressure</u>	<u>Anticipated Pressures</u>
Flowlines (Emulsion)	2" & 3"	Polyline	Surface, following existing road corridors	167psi	60psi
Water Lines	4"	Polyline	Surface, following existing road corridors	167psi	60psi
Crude Line	6"	Polyline	Buried	100psi	60psi
Gas Line	10", tie into 12"	Polyline	Buried	100psi	60psi

The 2" & 3" are flowlines from the wells to the tank battery and they handle an emulsion of oil, water & gas. The water lines are 4" which currently flow from all of the 13 tank batteries. We will only have (6) 4" water lines that come from the 3 main batteries. All others will be removed.

Reclamation

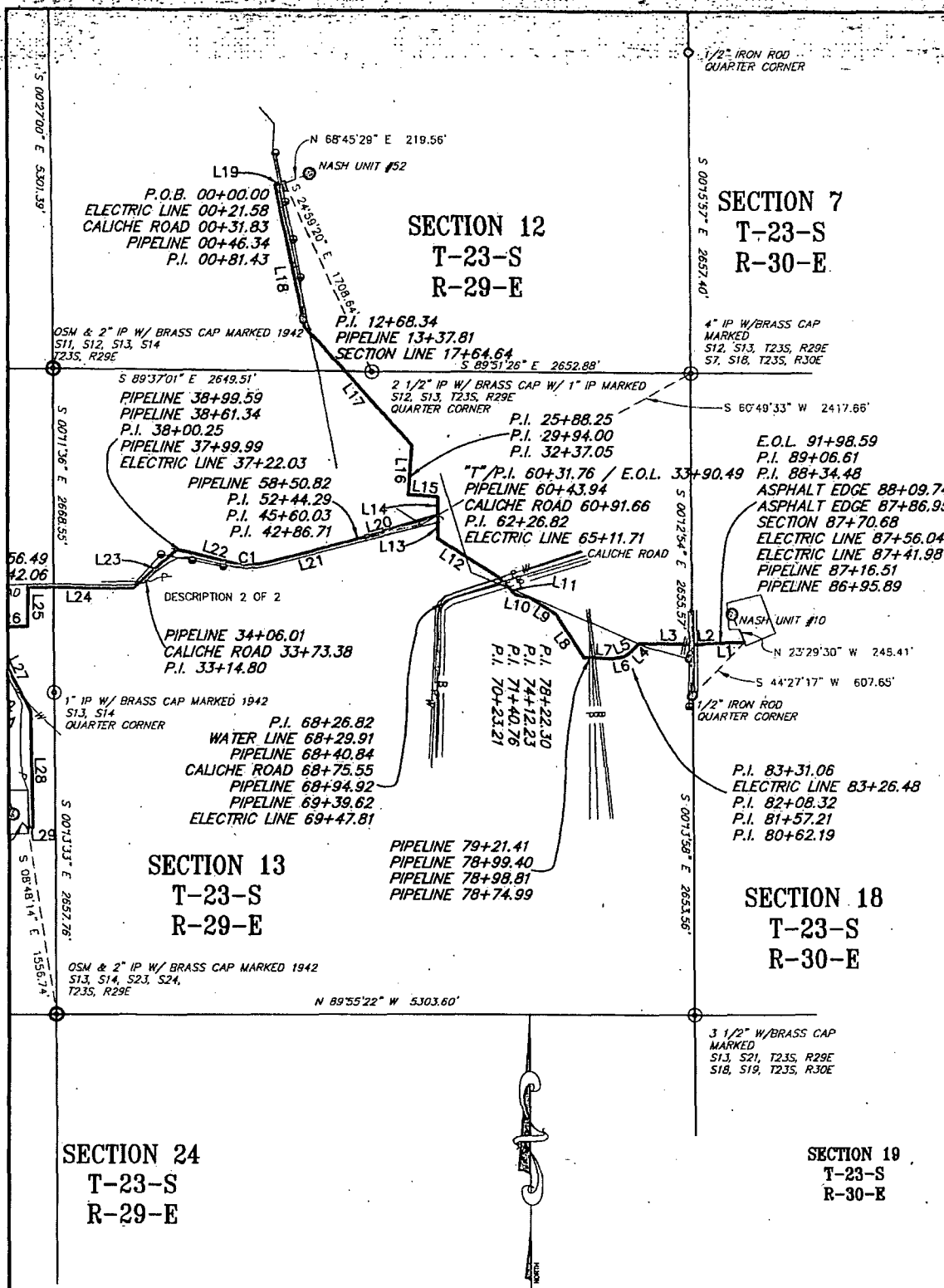
From beginning to end, the anticipated timeframe to reclaim/replace existing 2" & 3" water poly flowlines and 4" poly water lines on the surface to SWD #4, trench and reclaim the land atop the buried crude and gas lines, is expected to take 8-months.

Due to the volume of tank batteries in the area that will no longer be in use (10) and the industries limited resources, each tank battery that will no longer be used will be flushed and assessed for junk or recycling of equipment to be used at other facilities. The anticipated final reclamation, which includes moving all unused facilities out of the Nash area and off of existing locations, is anticipated to take 2-years. Individual sundries will be submitted to the BLM at the time of moving the unused battery and reclaiming the area, reducing the size of standard active well pads [100'x100'] unless multiple wells are located on the pad. This will further reduce the XTO environmental footprint in this area. The sundry will include a map of the reclamation area for proper analysis and inspection.

Well #	Current T/B assignment	New T/B assignment
1	Nash T/B #1	Nash 42H T/B
6	Nash T/B #6	Nash 42H T/B
14	Nash T/B #6	Nash 42H T/B
20	Nash T/B #6	Nash 42H T/B
5	Nash T/B #9	Nash 42H T/B
9	Nash T/B #9	Nash 42H T/B
10	Nash T/B #9	Nash 42H T/B
42H	Nash T/B #42H	Nash 42H T/B
49H	Nash T/B #42H	Nash 42H T/B
50H	Nash T/B #42H	Nash 42H T/B
51H	Nash T/B #42H	Nash 42H T/B

Well #	Current T/B assignment	New T/B assignment
11	Nash T/B #9	Nash 39 T/B
12	Nash T/B #9	Nash 39 T/B
19	Nash T/B #19	Nash 39 T/B
34	Nash T/B #34	Nash 39 T/B
36	Nash T/B #36	Nash 39 T/B
13	Nash T/B #39	Nash 39 T/B
39H	Nash T/B #39	Nash 39 T/B
40H	Nash T/B #39	Nash 39 T/B
31H	Nash T/B #39	Nash 39 T/B

Well #	Current T/B assignment	New T/B assignment
15	Nash T/B #15	Nash 56 T/B
33	Nash T/B #33	Nash 56 T/B
23	Nash T/B #24	Nash 56 T/B
24	Nash T/B #24	Nash 56 T/B
25	Nash T/B #24	Nash 56 T/B
38	Nash T/B #38	Nash 56 T/B
56H	Nash T/B #56	Nash 56 T/B
57H	Nash T/B #56	Nash 56 T/B
58H	Nash T/B #56	Nash 56 T/B



John F. Watson & Company

LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
200 N. Loring, Suite 230
Midland, Texas 79701
jwatson@jwatsonland.com
Texas Land Surveying Firm #101173-00
New Partner for Responsible Development

Watson
Professional
Group Inc

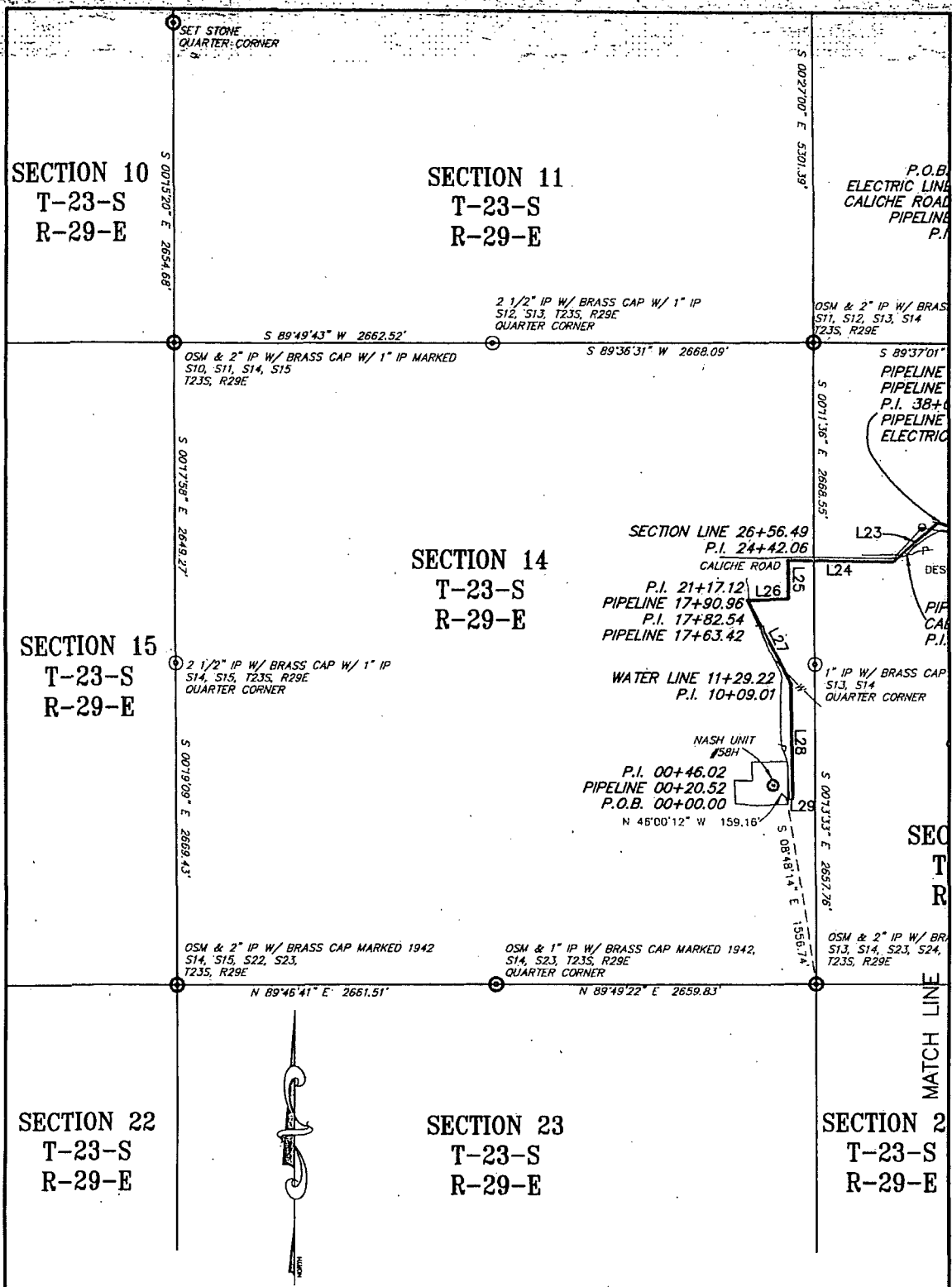


CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

PA. DRAWER 1005
RECEIVED TEXAS 10/20/09
10/20/09
TAX (432) 520-2404
OFF (432) 520-2400
MOB. (432) 520-0074

XTO ENERGY, INC.
NASH UNIT
PROPOSED PIPELINE
SECTIONS 12, 13, 14, & 18
T-23-S, R-29-E
& SECTION 18, T-23-S,
R-30-E, PRINCIPLE
MERIDIAN, EDDY COUNTY,
NEW MEXICO

DATE: 01/07/14
REVISED: -
JOB NO: 13-0289
FIELD BOOK: 145/57
DRAWN BY: CRW/XAC
CHKD BY: JFW/AP
FILE: S:\2012\NASH UNIT\NASH UNIT.DWG
PAGE 1 OF 3



John F. Watson & Company
LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
269 N. Lorena, Suite 210
Midland, Texas 79701
jw@jfw.com
Texas Land Surveying Firm #101173-00
Your Partner for Responsible Development

Watson Professional Group Inc
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

P.A. DRAWER ONE
MIDLAND, TEXAS 79701
TEL: 432-520-2400
FAX: 432-520-2404
MOB: 432-525-0074

XTO ENERGY, INC.
NASH UNIT
PROPOSED PIPELINE
SECTIONS 12, 13, 14, & 15
T-23-S, R-29-E,
& SECTION 18, T-23-S,
R-30-E, PRINCIPLE
MERIDIAN, EDDY COUNTY,
NEW MEXICO

DATE: 01/07/14
REVISED: -
JOB No.: 13-0269
FIELD BOOK: 145/57
DRAWN BY: CFW/JAC
CHKD BY: JFW/JP
FILE: 13-0269-NASH UNIT,
NASH UNIT.DWG
PAGE 2 OF 3

LINE	BEARING	DISTANCE
L1	N 88°49'23" E	291.98'
L2	N 81°57'41" E	72.13'
L3	S 89°15'54" E	503.42'
L4	N 47°36'43" E	122.74'
L5	N 57°51'53" E	51.11'
L6	N 80°59'45" E	95.02'
L7	S 87°07'25" E	239.89'
L8	S 32°43'51" E	410.07'
L9	S 57°43'14" E	271.47'
L10	S 80°12'01" E	117.55'
L11	S 44°25'58" E	196.39'
L12	S 57°43'13" E	600.00'
L13	S 00°10'01" E	195.07'
L14	S 00°11'15" E	153.43'
L15	S 86°06'12" E	243.06'
L16	S 03°54'28" W	405.75'
L17	S 42°01'04" E	1319.91'
L18	S 11°53'18" E	1186.91'
L19	S 77°56'12" W	81.43'
L20	N 73°20'54" E	787.47'
L21	N 75°28'25" E	684.26'
L22	S 76°40'05" E	486.46'
L23	N 48°56'45" E	485.46'
L24	S 89°26'41" E	872.73'
L25	N 00°14'58" E	324.94'
L26	N 88°32'28" E	334.58'
L27	N 27°13'37" W	773.53'
L28	N 01°02'40" W	962.99'
L29	N 88°53'45" E	46.02'

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	273.32'	579.26'	27°02'03"	N 89°02'13" E	270.79'

John F. Watson & Company

LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
200 N. Lorraine, Suite 220
Midland, Texas 79701
jfwatson@watsonandcompany.com
Texas Land Surveying Firm #101173-00

Your Partner for Responsible Development



CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

XTO ENERGY, INC.
NASH UNIT
PROPOSED PIPELINE
SECTIONS 12, 13, 14, & 18
T-23-S, R-29-E,
& SECTION 18, T-23-S,
R-30-E, PRINCIPLE
MERIDIAN, EDDY COUNTY,
NEW MEXICO

DATE: 01/02/11
REVISED: -
JOB No.: 13-0000
FIELD BOOK: 140/57
DRAWN BY: DMW/XAC
CHKD BY: JFW/MP
FILE: S:\000\NASH UNIT
NASH UNIT.DWG
PAGE 3 OF 5

DESCRIPTION 1 OF 2

PROPOSED PIPELINE

LEGAL DESCRIPTION: BEING THE CENTERLINE OF A PROPOSED PIPELINE RIGHT-OF-WAY, LYING IN AND BEING SITUATED OUT OF SECTIONS 12, 13, & 14, TOWNSHIP 23 SOUTH, RANGE 29 EAST, PRINCIPLE MERIDIAN, ALL IN EDDY COUNTY, NEW MEXICO; SAID CENTERLINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS AND AS SURVEYED UNDER THE SUPERVISION OF WATSON PROFESSIONAL GROUP IN JANUARY, 2014:

BEGINNING at a stake set from which an existing well Nash Unit #52H found bears North 68°45'29" East a distance of 219.56 feet and from said point of beginning a 2 1/2" iron pipe with brass cap with 1" iron pipe marked "S12, S13, T23S, and R29E" for the South quarter corner of said Section 12 bears South 24°59'20" East a distance of 1708.64 feet;

THENCE South 77°56'12" West a distance of 81.43 feet to a stake set for an angle point hereof;

THENCE South 11°53'18" East a distance of 1186.91 feet to a stake set for an angle point hereof;

THENCE South 42°01'04" East, at a distance of 496.30 feet cross common line of said sections 12 and 13 from which an 2 1/2" iron pipe with brass cap with 1" iron pipe marked "S12, S13, T23S, and R29E" bears South 89°37'01" East a distance of 224.73 feet, and continuing in all a distance of 1319.91 feet to a stake set for an angle point hereof;

THENCE South 03°54'28" West a distance of 405.75 feet to a stake set for an angle point hereof;

THENCE South 86°06'12" East a distance of 243.06 feet to a stake set for an angle point hereof;

THENCE South 00°11'15" East a distance of 153.43 feet to a stake set for the POINT OF TERMINATION and from which a 4" iron pipe with brass cap marked "S12, S13, T23S, R29E, S7, S18, T23S, and R30E" found for the Northeast corner of said Section 13 bears North 60°49'33" East a distance of 2417.66 feet; said centerline having a total length of 3390.49 feet (205.48 rods), more or less.

John F. Watson & Company
LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
200 N. Loopline, Suite 120
Midland, Texas 79701
jwatson@windearthwater.com
Texas Land Surveying Firm #101173-00
Midline (432) 520-2400
Fax (432) 520-2404
meh (432) 528-0074
Your Partner for Responsible Development

Watson Professional Group Inc
P.L. ENGINEERS
MIDLAND, TEXAS 79701
LAND SURVEYORS
PLANNING & DESIGN
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS



XTO ENERGY, INC.
NASH UNIT
PROPOSED PIPELINE
SECTIONS 12, 13, 14, & 18
T-23-S, R-29-E,
& SECTION 18, T-23-S,
R-30-E, PRINCIPLE
MERIDIAN, EDDY COUNTY,
NEW MEXICO

DATE: 01/07/14
REVISED: -
JOB No.: 13-0269
FIELD BOOK: 148/57
DRAWN BY: COW/DAC
CHK BY: PFA/AF
FILE: E:\2013\NASH UNIT,
NASH UNIT.DWG
PAGE 4 OF 5

March 4, 2014

Bureau of Land Management
Jesse Rice
Carlsbad, NM

Good Afternoon Jesse,

The attached maps are representative of the planned changes in line routing with the reduction of tank batteries from 13 down to 3 tank batteries. The map in current state will show several 3" and 4" light blue water transfer lines which will be eliminated in the battery consolidation. In current state many of the flowlines will be located on their current battery site and in the consolidation state they will be re-routed to 1 of the 3 main tank batteries that will remain. As part of the re-route of a well's flowline the flowline will be replaced with a new poly line or 3" fiberspar when necessary and the old flowline will be flushed clean and be prepared for removal from the Nash Unit at the end of the consolidation project. We will perform the same process in the removal of the water transfer (lt. Blue) lines being eliminated. The old flowlines and water transfer lines will be cut and staged for removal from well sites. Only six dark blue lines (noted on map) will remain as they currently lay in order to transfer produced water from each of the 3 main tank batteries to the SWD station. Well flowlines will follow the lease roads and the new flowlines will be color code banded with information relating to well and product in the line. The tank batteries that become inactive in the consolidation will have equipment flushed, stabilized and be evaluated for future use as surplus equipment for use on other tank battery or well sites on an as needed basis.

We are installing a crude gathering system at the same time we are installing the gas gathering system. Within the project plan we are seeking to move the crude off lease via a pipeline LACT. Until the time that opportunity becomes available the trucks will load crude oil via the truck LACT located at Nash 42H tank battery which has closest access to Rawhide Rd. We are encouraged that this will assist in the reduction of truck traffic on lease roads within the Nash Unit.

Please let me know if you have further concerns or questions.

Respectfully,

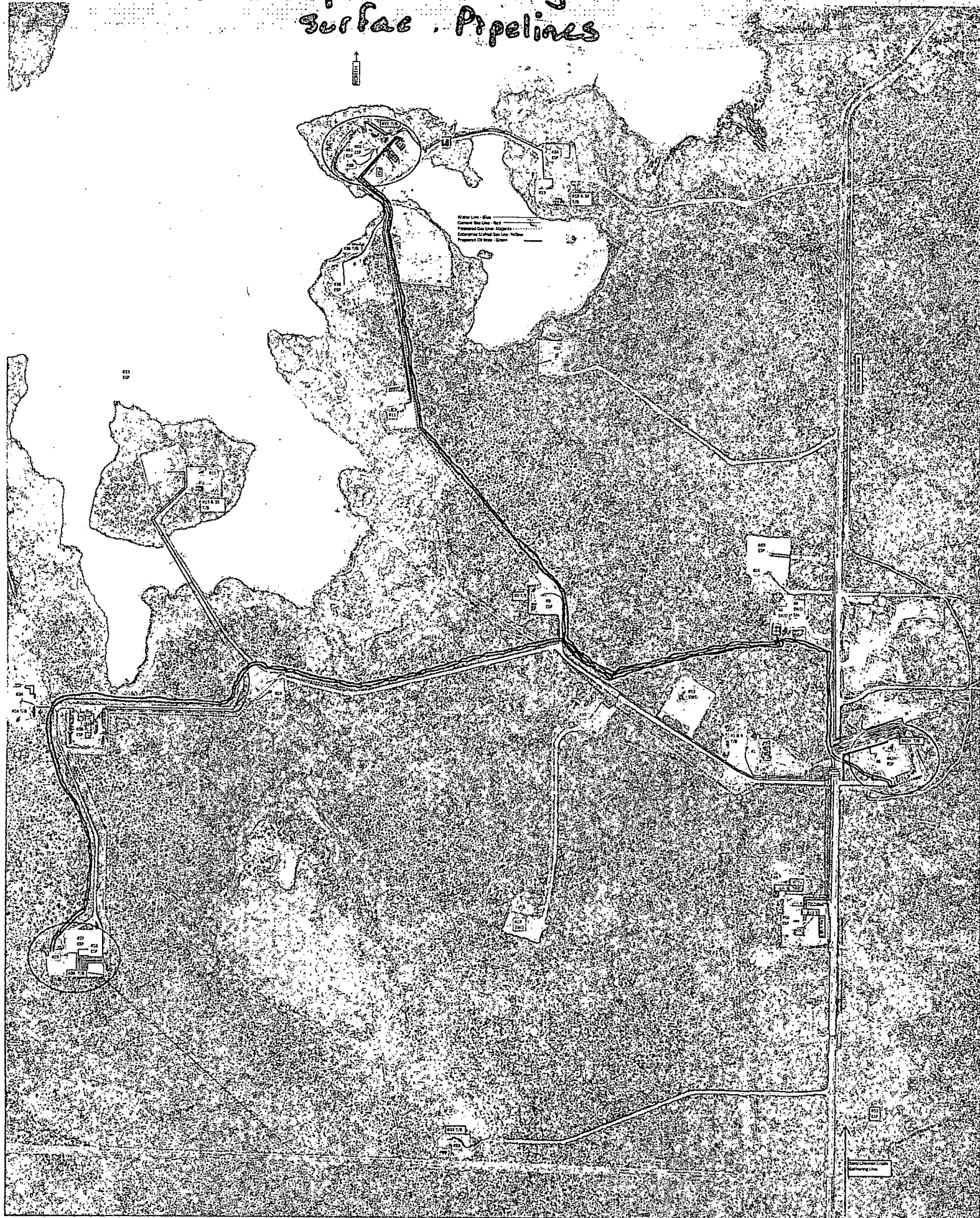
Deb Brummett

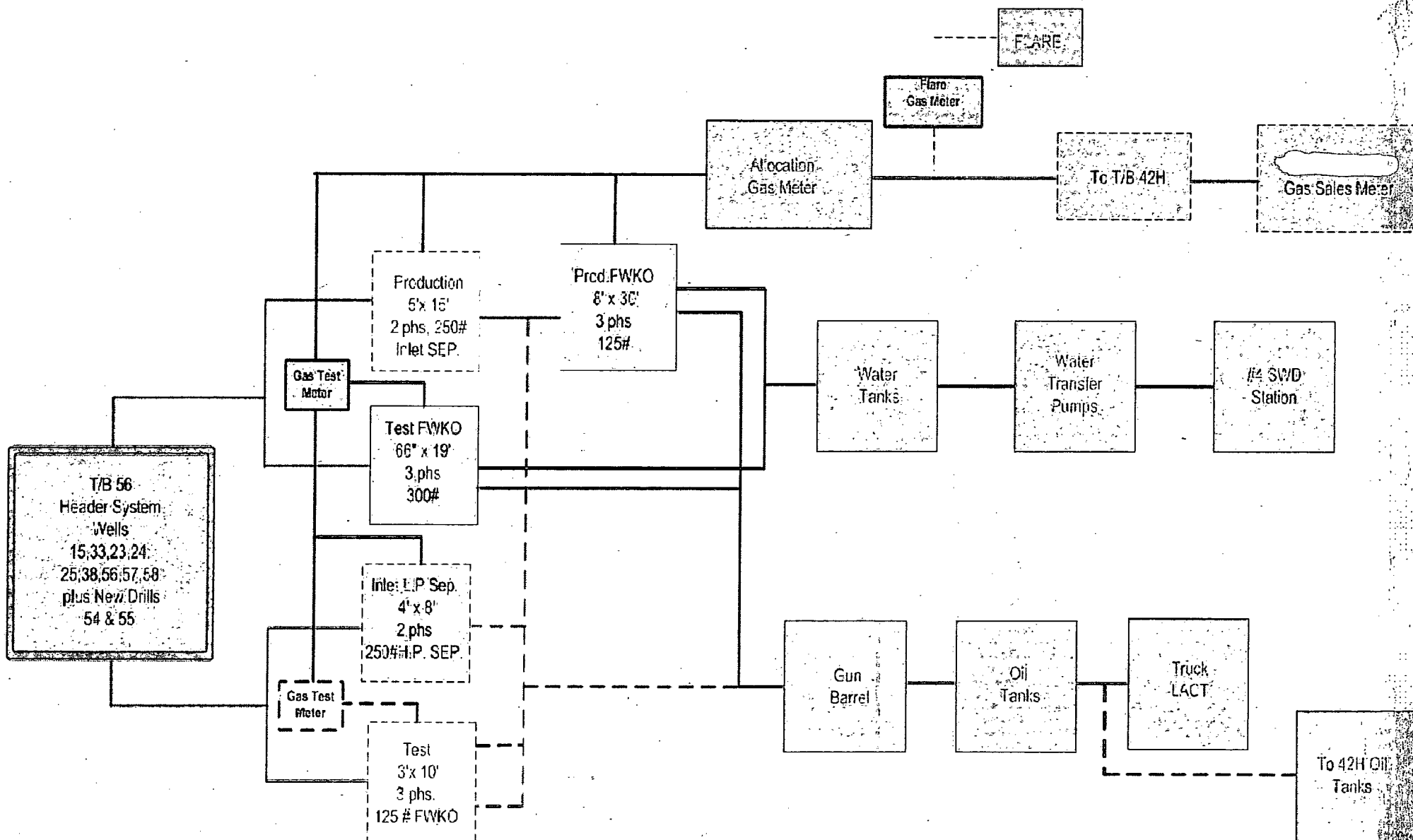
CC:
Stephanie Rabadue

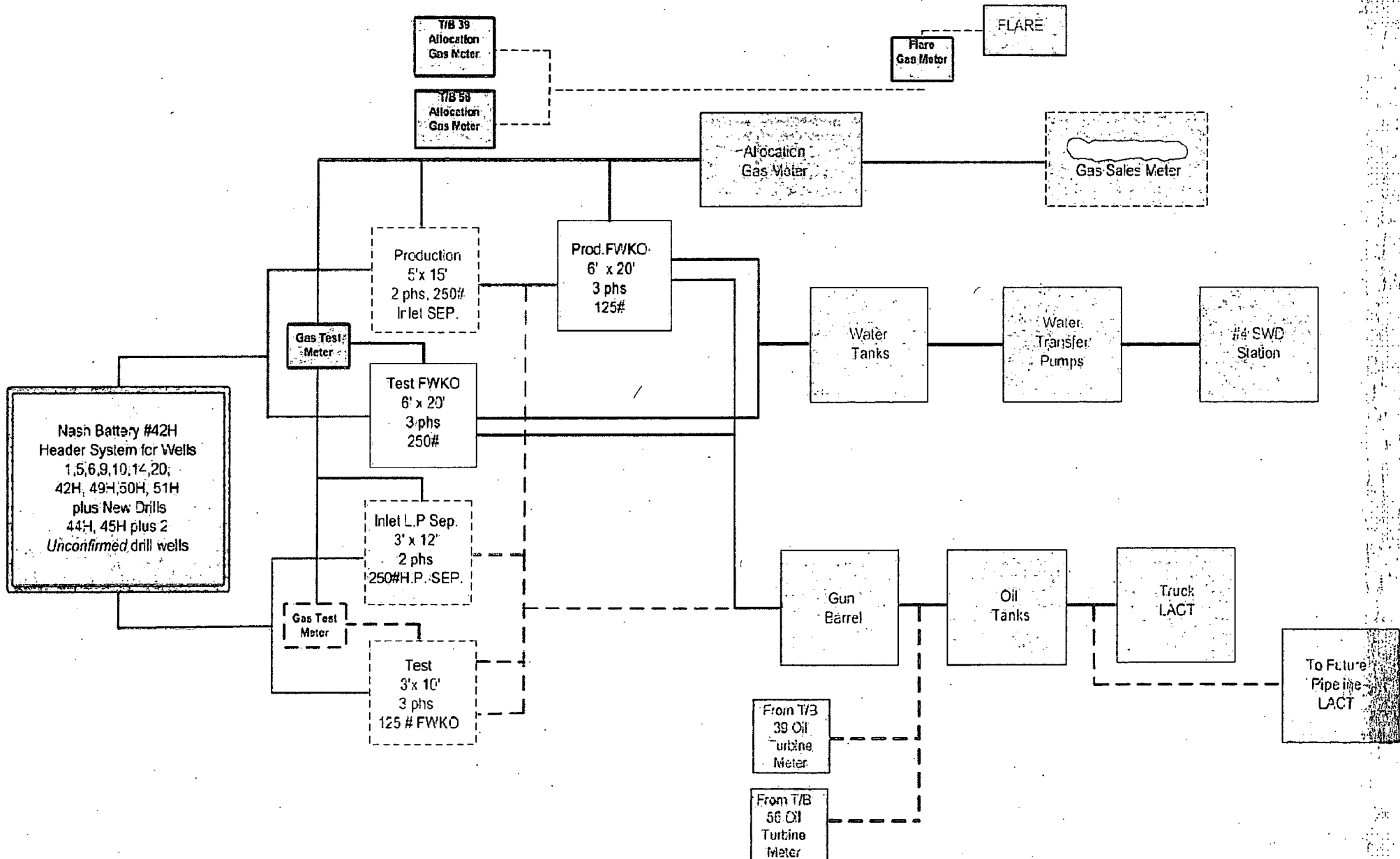
EXERCISE 14 →

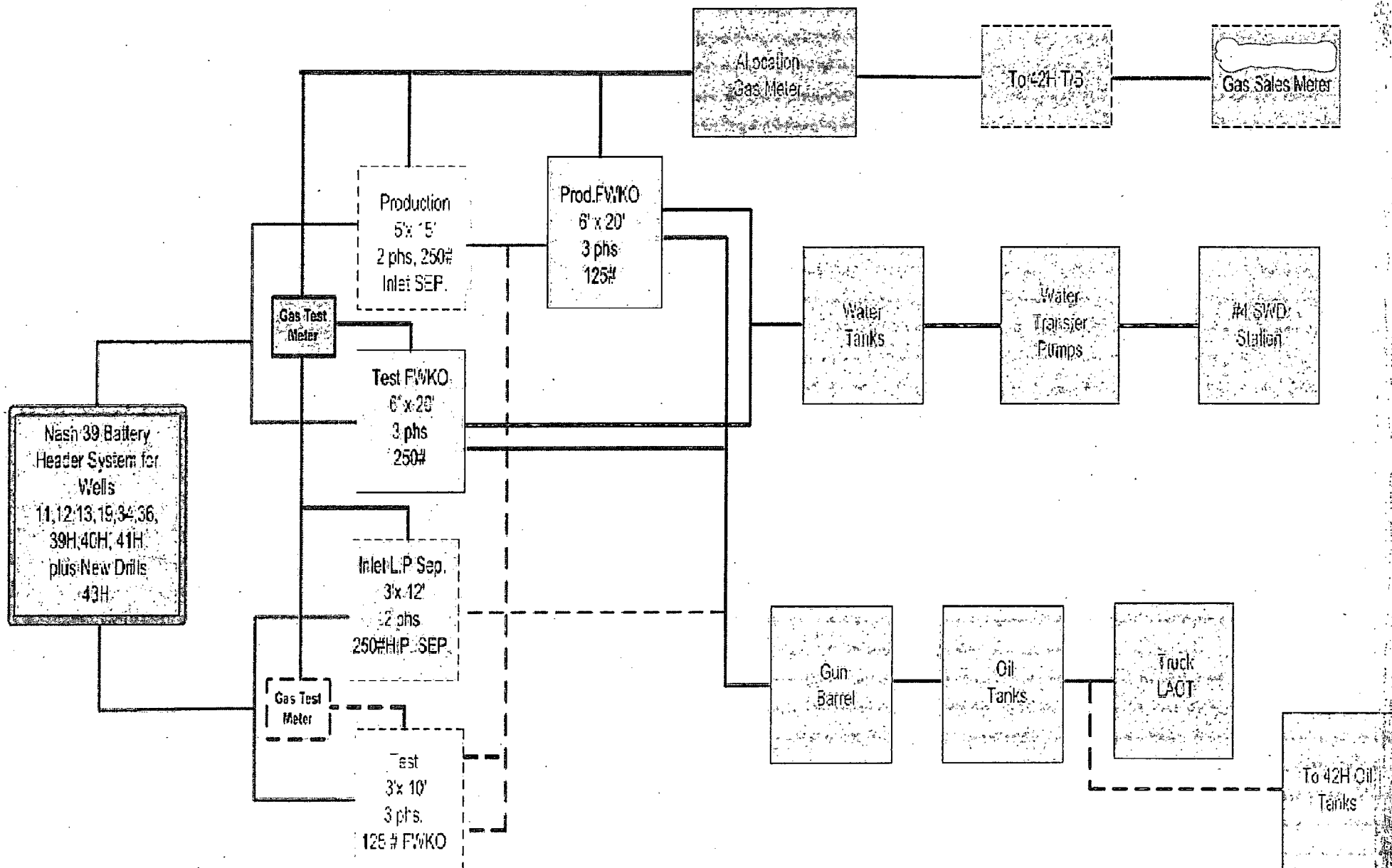


Proposed Routing Surface Pipelines









BLM LEASE NUMBER: NM0556863

COMPANY NAME: XTO Energy, Inc.

ASSOCIATED WELL NAME: Nash Unit #42H

BURIED PIPELINE STIPULATIONS

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

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, 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), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. **The holder will contact the owner of any improvements prior to disturbing them.** When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements (attached at end of document).
13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-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. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

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

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

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

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

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

19. Special Stipulations:

Wildlife Stipulations

- During nesting season (May 1 – August 31) noise levels will not exceed 49 decibels (dB) at 30 feet
- All active shorebird nests will be avoided by 200 meters.
- Leak Detection System- A method of detecting leaks is required. The method could incorporate gauges to measure loss, siting valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

- The attached seed mixture will be used to reclaim the areas disturbed by the installation of the buried pipeline and the well pads that are to be downsized after tank battery removal.

Cave/Karst Resource Conditions of Approval

The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench 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.

Visual Resource Management Class III

The pipeline route and associated construction vehicles shall follow existing roads or rights-of-ways when possible. Ground disturbance and removal of vegetation shall be kept at a bare minimum. Natural contours of the land and existing vegetative cover shall be used to conceal the pipeline route when possible. Abandoned surface lines shall be completely removed and properly disposed of.

In VRM III, tank batteries shall not exceed 8 feet in height. 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 color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way in a natural manner and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be re-contoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade. The holder will reseed all disturbed areas with a BLM approved seed mixture.

PECOS DISTRICT, BLM
SEED MIX FOR

The following Soils or Soil Associations may represent this ecological site:
Arno clay loam, saline, Balmorhea loam, drained, Cottonwood loam, overflow, Glendale silty clay loam,
alkali, Glendale silty clay loam, strongly alkali, Pecos silty clay loam, saline, Pima silty clay loam, saline,
Reeves loam, overflow

Ecological Site: Salty Bottomland SD-3
April 4, 2006

<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Pounds of Pure Live Seed Per Acre</u>
Giant sacaton	<i>(Sporobolus giganteus)</i>	1.00
Vine Mesquite	<i>(Panicum obtusum)</i>	1.50
Inland saltgrass	<i>(Distichlis stricta)</i>	1.00
Alkali sacaton	<i>(Sporobolus airoides)</i>	3.50
Four wing saltbush	<i>(Atriplex canescens)</i>	1.00
Winterfat	<i>(Ceratoides lanata)</i>	1.00
Annual Sunflower	<i>(Helianthus annuus)</i>	<u>0.75</u> 9.75
TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE Certified Weed Free Seed		9.75

IF ONE SPECIES IS NOT AVAILABLE,
INCREASE ALL OTHERS PROPORTIONATELY
NO LESS THAN FOUR (4) SPECIES)
WITH A MINIMUM OF ONE (1) FORB

No less than 9.75 pounds pls per acre shall be applied

Please contact a Natural Resource Specialist at the Bureau of Land Management if you have
questions about this seed mixture.

BLM LEASE NUMBER: NM0556863
COMPANY NAME: XTO Energy Inc.
ASSOCIATED WELL NAME: Multiple

See Special Stipulations Below

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) 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. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.

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. 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, powerline 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.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

Additional Sundry Notices Required

XTO should submit individuals sundry notices should be submitted for each well being moved to a new tank battery. The sundry should indicate when the well has been disconnected from the current battery, when the well is connected to the new battery, and when production has been established at the new battery. On each sundry notice, please reference this approval for the flowline installation.

After production is changed over, XTO should remove all equipment that is no longer needed within 2 years of the approval of this Sundry Notice. A sundry notice should also be submitted prior to tank battery removal and should include a reclamation diagram of the location. XTO should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

Visual Resource Management Class III

The pipeline route and associated construction vehicles shall follow existing roads or rights-of-way when possible. Ground disturbance and removal of vegetation shall be kept at a bare minimum. Natural contours of the land and existing vegetative cover shall be used to conceal the pipeline route when possible. Abandoned surface lines shall be completely removed and properly disposed of.

In VRM III, tank battery shall not exceed 8 feet in height. 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 color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

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