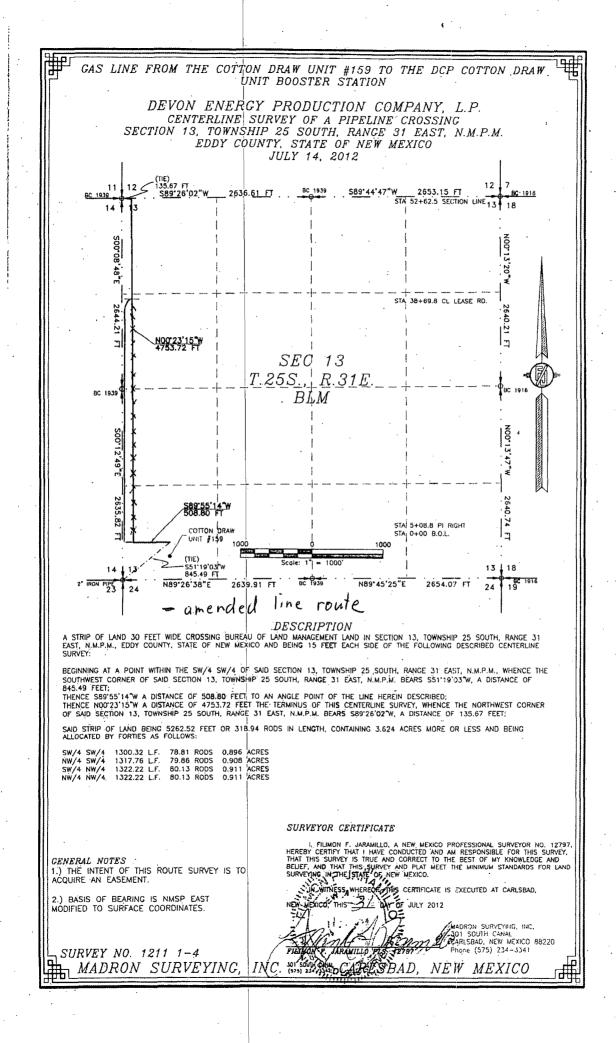
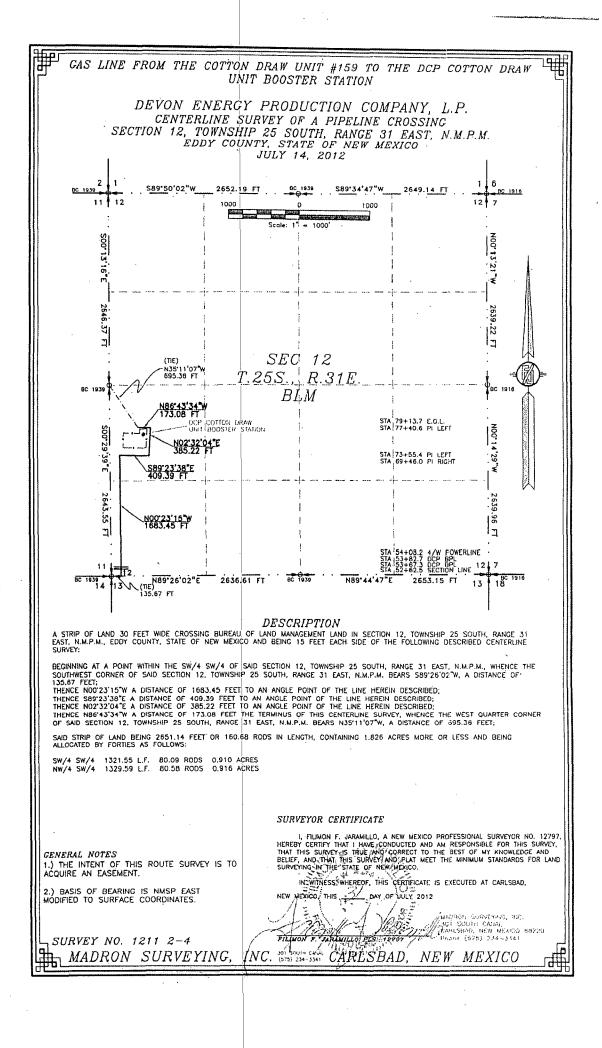
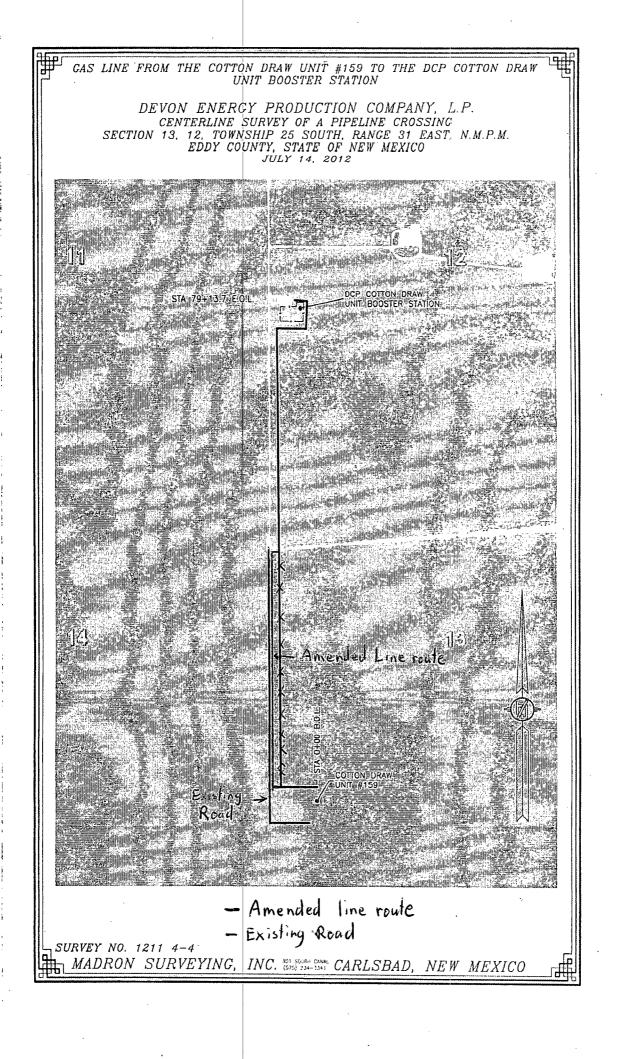
e						
"Form 3160-5 (September 2001)	UNITED STA DEPARTMENT OF T BUREAU OF LAND N	THE INTERIOR		5. Lease Seri	FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004 al No. O G (/ 8 (5 Z	
Do no	INDRY NOTICES AND t use this form for propose oned well. Use Form 3160	als to drill or t	o re-enter an	6. If Indian	, Allottee or Tribe Name	
	IN TRIPLICATE- Other	nstructions on reverse side.		· · ·	7. If Unit or CA/Agreement, Name and/or No. Cotton Draw Unit	
1. Type of Well Oil Wel	Gas Well O	er		8. Well Na	8. Well Name and No.	
2. Name of Operator De	von Energy Production Company,	L.P.			CDU #159 9. API Well No.	
3a Address P.O. Box 250, Artesi	a, NM 88211 (Attn: Joe Lara)	3b. Phone No. (include area code) 575-748-0163			3001540385 10. Field and Pool, or Exploratory Area	
	Diage, Sec., T., R., M., or Survey Descrip eated 330 FSL and 660 FWL in Sec			1 Ace	11. County or Parish, State LAX Eddy County, NM	
12. CF	HECK APPROPRIATE BOX(ES	5) TO INDICATE	NATURE OF NOTICE	E, REPORT, O	ROTHER DATA	
TYPE OF SUBMIS	TYPE OF SUBMISSION TYPE OF ACTION					
Notice of Intent	Change Plans	Deepen Fracture Tr New Const Plug and A Plug Back	eat Reclamati	ne ily Abandon	Water Shut-Off Well Integrity	
testing has been co determined that the To lay a 4" bur Booster Station The spacing for	on of the involved operations. If the op mpleted, Final Abandonment Notices s site is ready for final inspection.) ied fiberflex gas line from the CDU located in the NW/4SW/4 of Section said line will be 30 feet wide by 79	hall be filed only after a J #159 located 330 F on 12, T25S-R31E.	Il requirements, including ; SL and 660 FWL in Sec	reclamation, have be	en completed, and the operator has	
This line will ca	rry 1 mmcpd at 80 psi. at.	ccepted t NMO	or record CD-185 3/12/2013	RECI MAR 1 NMOCD /	9 2013 ARTESIA	
Name (Printed)	hat the foregoing is true and correct <i>Typed)</i> Sankey (512) 779-3991		Title Authorized Age	nt		
Signature	Ull		Date	08/23/2012		
	THIS SPACE F	OR FEDERAL	OR STATE OFF	ICE USE		
certify that the applicat	, if any, are attached. Approval of this thous legal or equitable title to those applicant to conduct operations there	rights in the subject le	Title nt or ase Office		Date	
Title 18 U.S.C. Section States any false, fictitic	1001 and Title 43 U.S.C. Section 1212, n us or fraudulent statements or represen	nake it a crime for any natations as to any matte	person knowingly and w r within its jurisdiction.	illfully to make to a	ny department or agency of the Ur	
(Instructions on pa	· · · · · · · · · · · · · · · · · · ·					

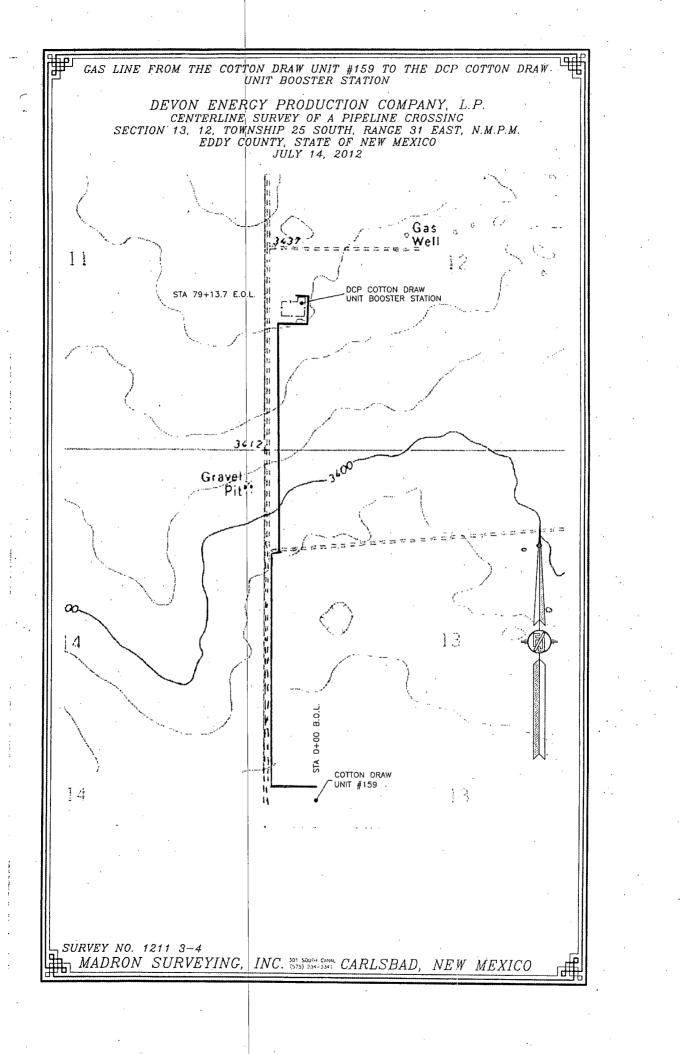
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CDU No 159 Devon Energy Production Company Surface Pipeline COAs

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, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) 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 <u>15</u> feet.

6. (a) Where a polyline is laid along a <u>County</u> Road, the operator will lay that polyline ten (10) feet out from the center of the ditch to prevent obstructing County Maintenance activities.

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 of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "twotracks," 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-ofway 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. Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling 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, 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. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. 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 feet from the source of the noise.