OCD Artesia

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
NMLC030570A

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Stevens A Federal Tank Battery - COO

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

9. API Well No. 30-015-38373

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

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

10. Field and Pool or Exploratory Area

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Sec.13. 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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☑ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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 combusor at the Stevens A 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 1-21-2014

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 Coordinator

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

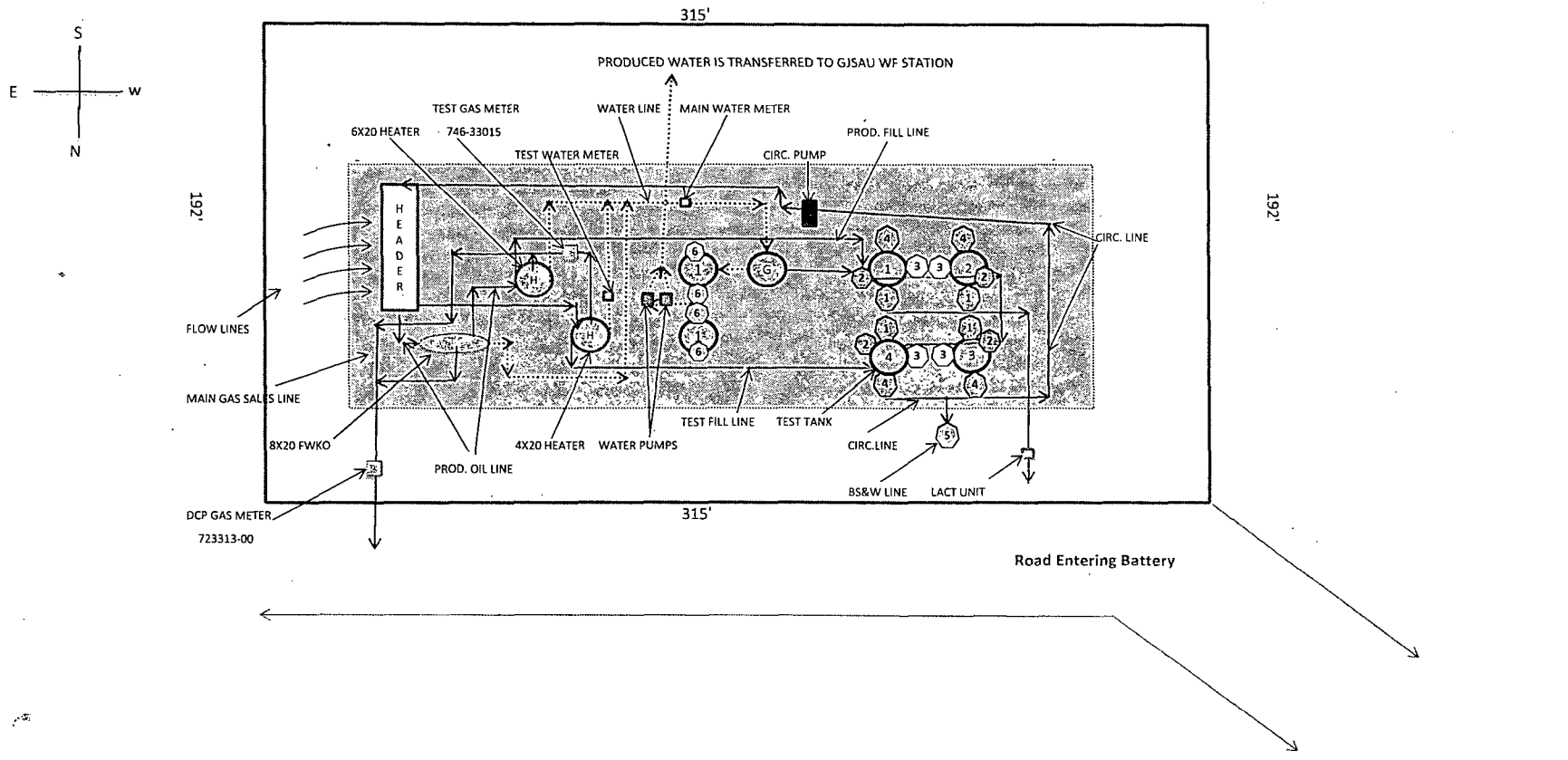
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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.

(Instructions on page 2)

BURNETT OIL CO., INC.
EDDY COUNTY, NM
STEVENS A FEDERAL BATTERY
SEC 13, T17S, R30E
PAD: 315' X 192'



SITE LEGEND

- 300 BBL STEEL OIL SALES TANK # 35449
- 300 BBL STEEL OIL SALES TANK #35450
- 300 BBL STEEL OIL SALES TANK # 35650
- 300 BBL STEEL OIL SALES TANK # 35649
- 500 BBL FIBERGLASS WATER TANK
- 500 BBL FIBERGLASS WATER TANK
- 750 BBL FIBERGLASS GUN BARREL
- FWKO
- HEATER TREATER
- WATER LINE
- OIL LINE
- GAS LINE
- FENCED FIREWALL

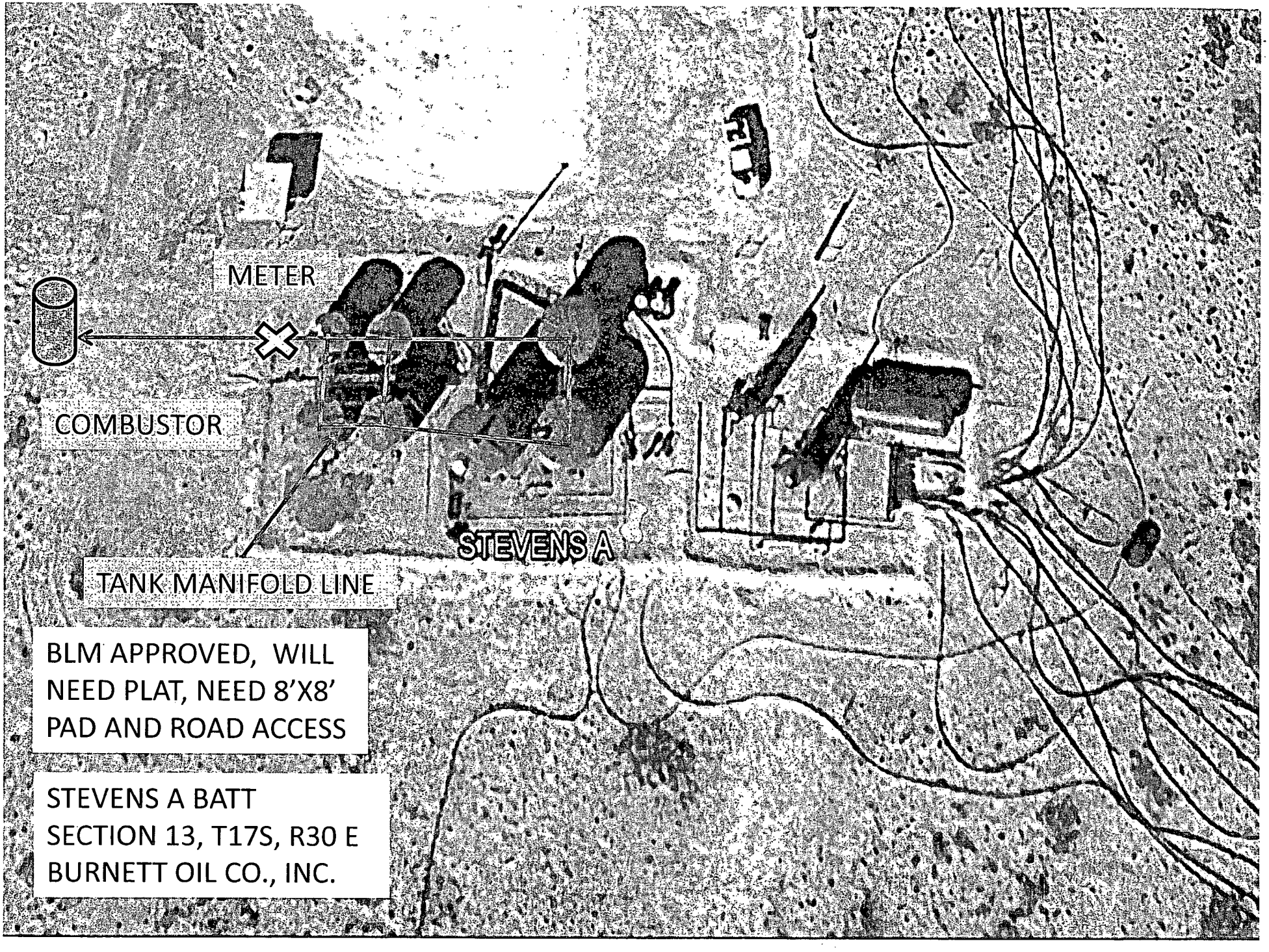
VALVE LEGEND

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

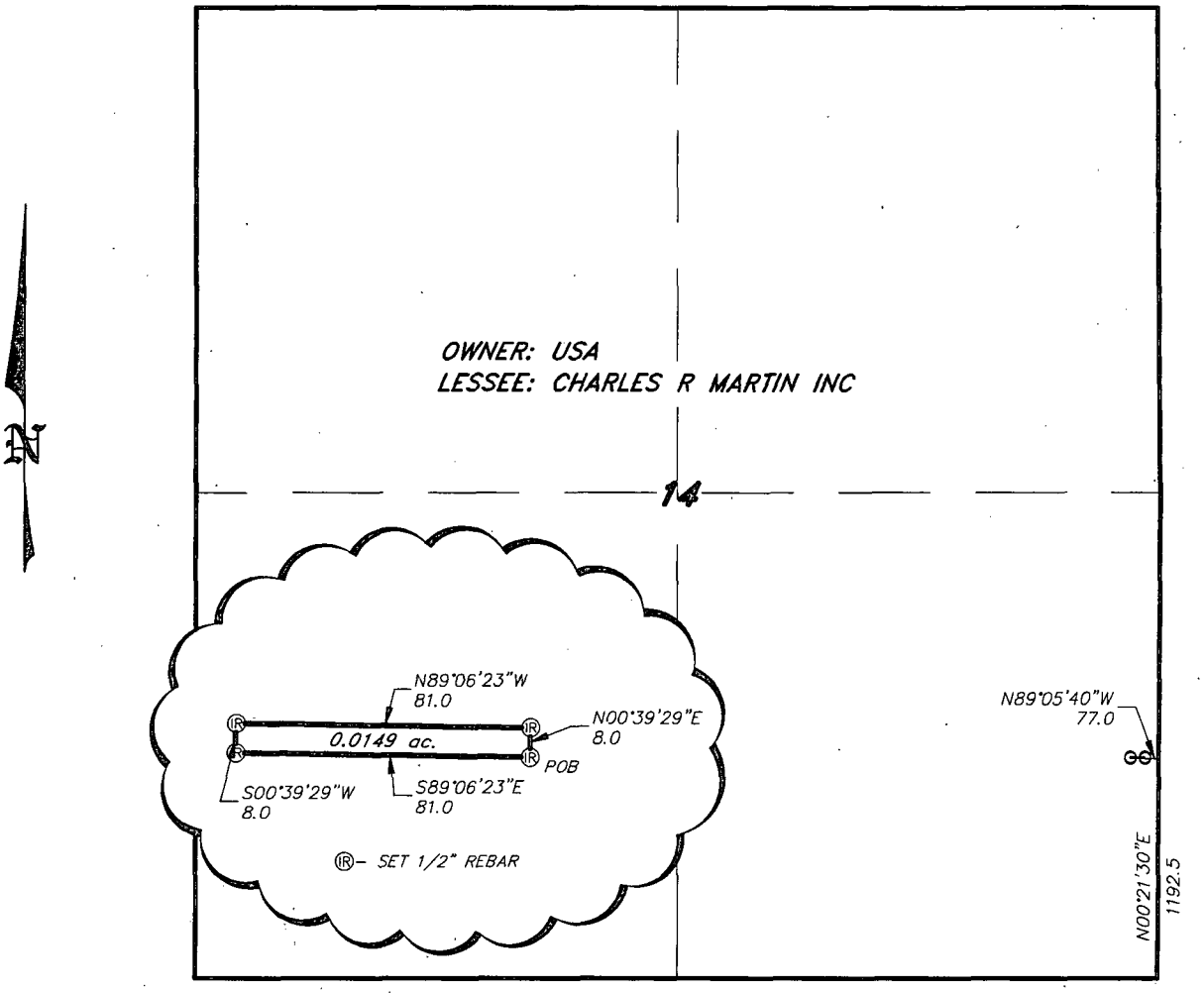
BURNETT OIL CO., INC.
EDDY COUNTY, NM
STEVENS A FEDERAL BATTERY
SEC 13, T17S, R30E

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. Sales by LACT will be by LACT meter.

	VALVE	PRODUCTION PHASE	SALES PHASE	CIRCULATING	NOTE
1	LOAD LINE VALVE	CLOSED	OPEN	CLOSED	
2	PRODUCTION FILL LINE VALVE	OPEN OR CLOSED	CLOSED	CLOSED OR OPEN	
3	EQUALIZER LINE VALVE	OPEN	CLOSED	CLOSED OR OPEN	
4	CIRCULATING LINE VALVE	OPEN OR CLOSED	CLOSED	OPEN	RE-SEALED ONCE CIRCULATING IS COMPLETE
5	BS&W LOAD LINE VALVE	CLOSED	CLOSED	CLOSED	OPEN FOR TANK MAINTENANCE, RESEALED ONCE MAINTENANCE IS COMPLETE
6	WATER LINE VALVE	OPEN	NA	NA	WATER TANKS ARE ISOLATED FROM OIL PRODUCTION TANKS


METER
COMBUSTOR
STEVENS A
TANK MANIFOLD LINE
BLM APPROVED, WILL NEED PLAT, NEED 8'X8' PAD AND ROAD ACCESS
STEVENS A BATT
SECTION 13, T17S, R30 E
BURNETT OIL CO., INC.

SECTION 14, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 14, 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 N00°21'30"E., 1192.5 FEET AND N89°05'40"W., 77.0 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 14; THENCE N00°39'29"E., 8.0 FEET; THENCE N89°06'23"W., 81.0 FEET; THENCE S00°39'29"W., 8.0 FEET; THENCE S89°06'23"E., 81.0 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND BEING 0.0149 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAT 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 — NEW MEXICO — 7977 — REGISTERED PROFESSIONAL LAND SURVEYOR

GARY L. JONES, N.M. P.S. No. 7977
TEXAS No. 5074

1000 0 1000 2000 FEET

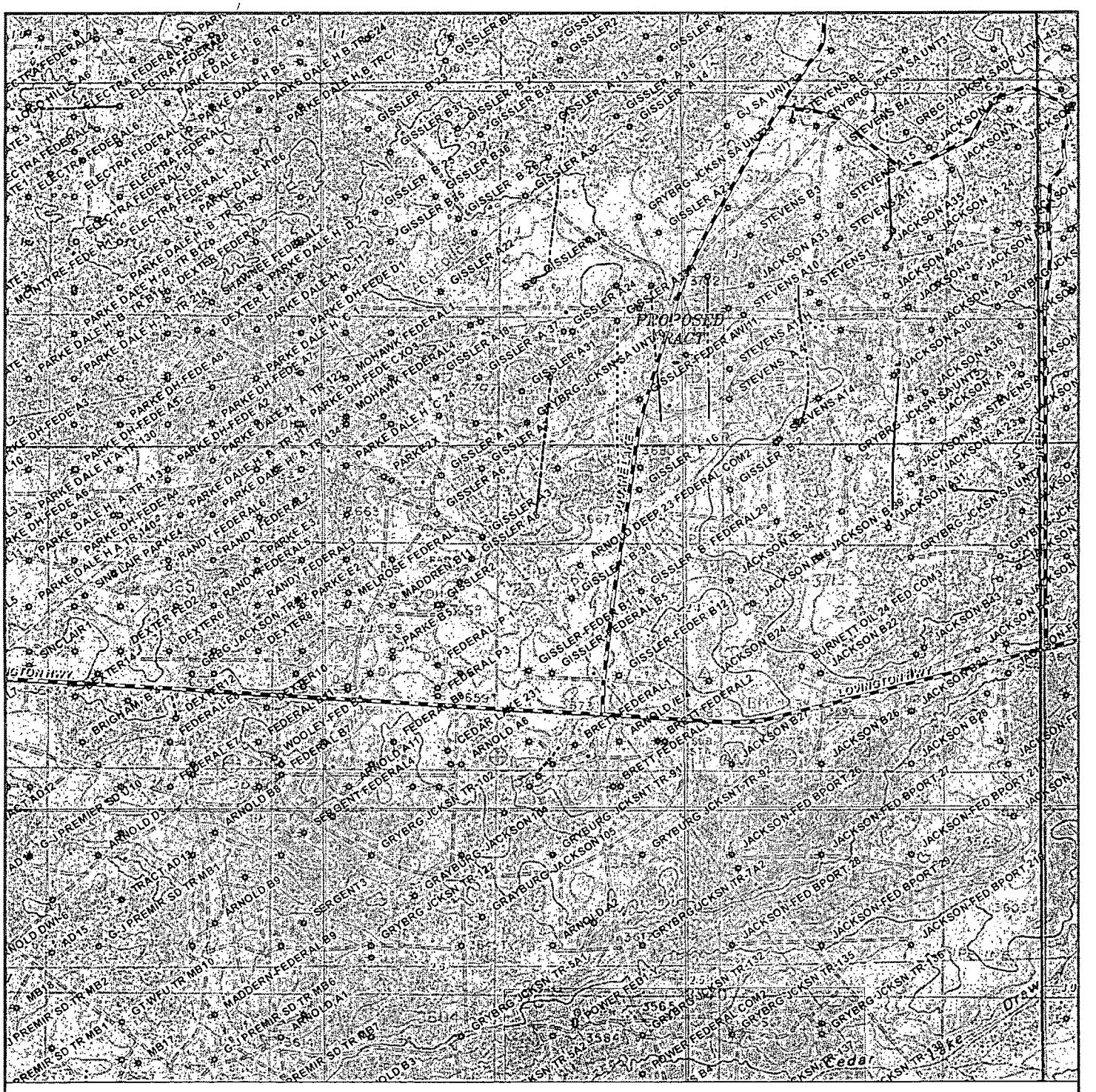
Burnett Oil Co., Inc. 6666

REF: PROPOSED STEVENS A TANK BATTERY

A TRACT OF LAND LOCATED ON USA LAND IN SECTION 14, 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
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: 29390-1	Drawn By: J. GOAD	Date: 9-23-2013	Survey Date: 9-18-2013	Sheet 1 of 1 Sheets



PROPOSED STEVENS A TANK BATTERY
Section 14 Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield

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1120 N. West County Rd.
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(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

W.O. Number: JG 29390-1

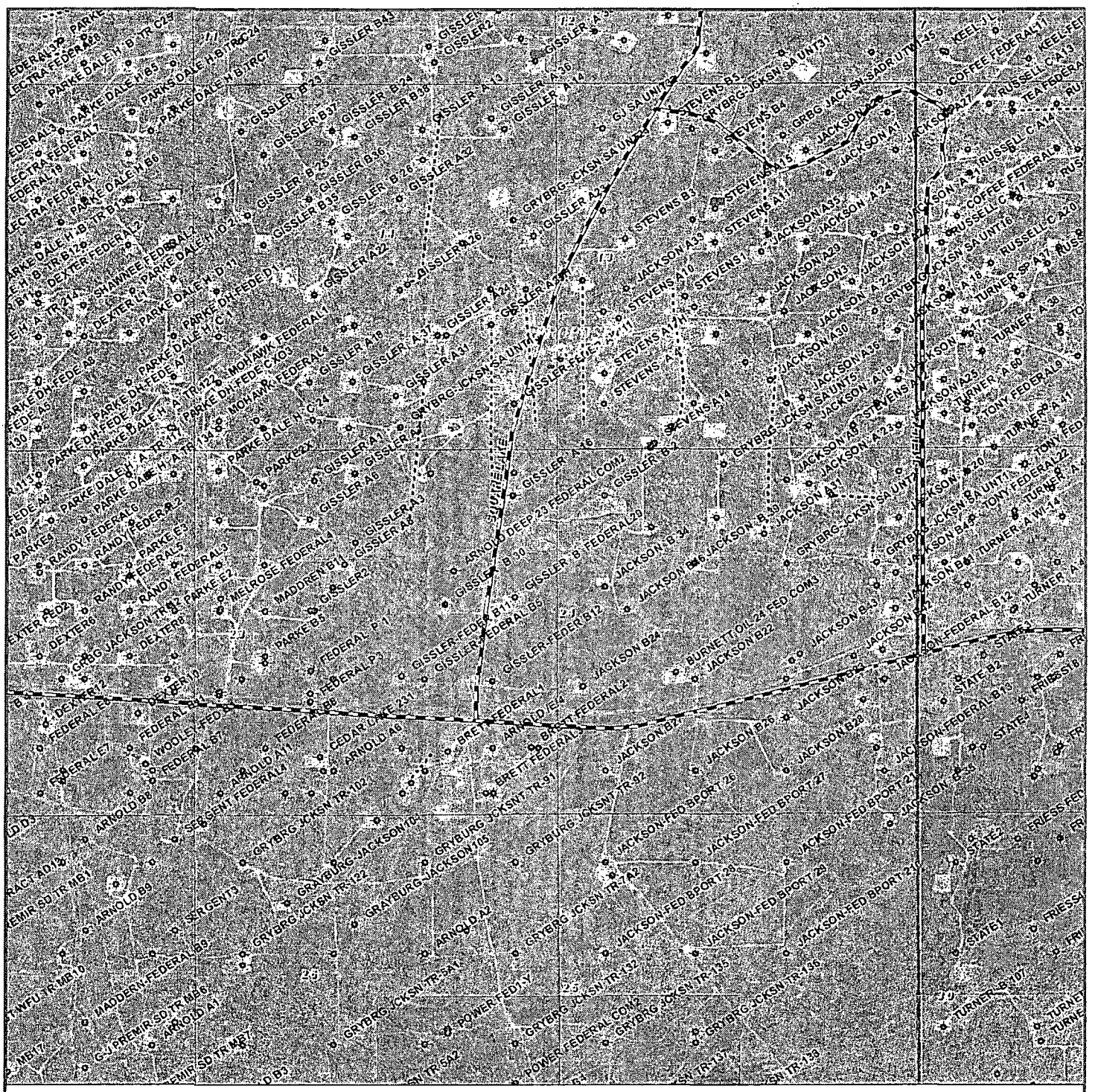
Survey Date: 9-18-2013

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

N

Burnett Oil Co., Inc.

6666



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0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'

W.O. Number: JG 29390-1

Survey Date: 9-18-2013

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

N

Burnett Oil Co., Inc.

6666

HY-BON® 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 mcfd) and ***Abutec 100*** (up to 100 mcfd) 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/ft^3 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/og_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:

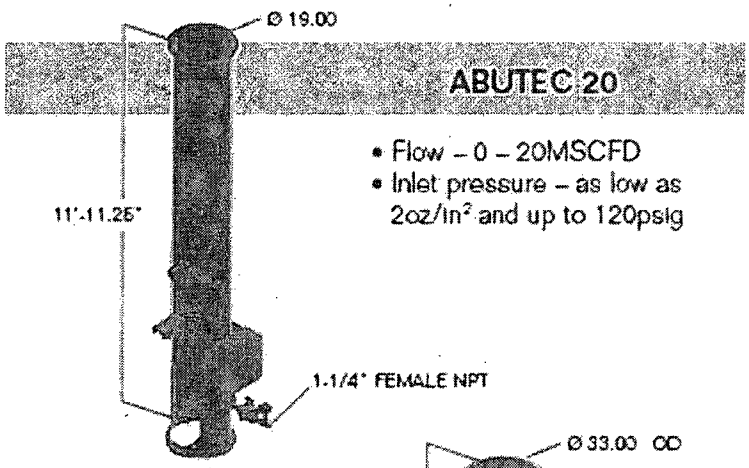
- The recent publication of the Federal Register applies the Quad O New Point Source regulations that state that all Storage Tank facilities constructed on or after August 23,
  - 2011 will need to be at or below 6 Tons of VOC's per year.

  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:

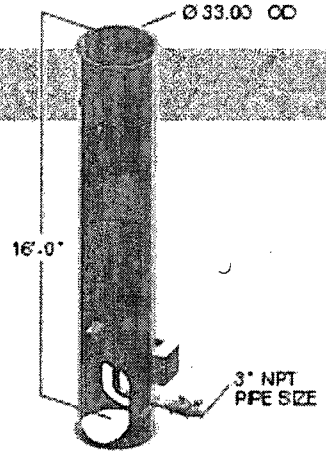
- Capturing storage tank vapors with an EVC reduces the potential for dangerous flammable vapors collecting in low areas on location during still days and/or potentially hazardous gases (Hydrogen Sulfide Gas) escaping, threatening human and animal life.

QUAD O COMPLIANT ENCLOSED VAPOR COMBUSTORS



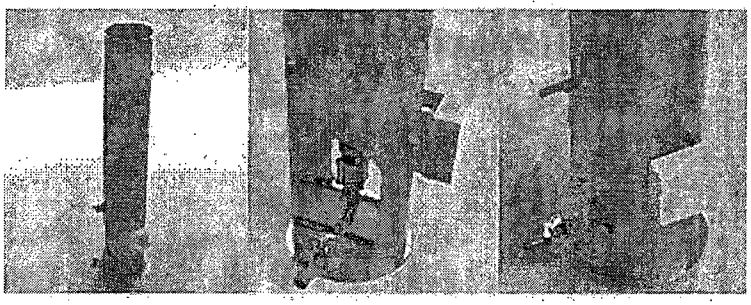
ABUTEC 20

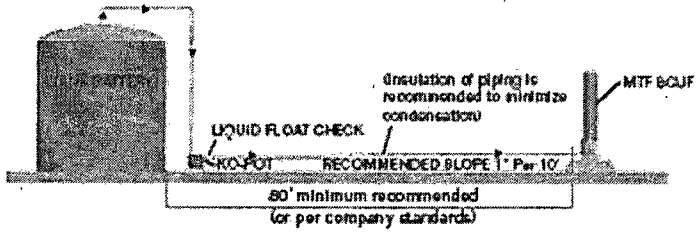
- Flow – 0 – 20MSCFD
- Inlet pressure – as low as 2oz/in² and up to 120psig



ABUTEC 100

- Flow – 20 – 100MSCFD
- Inlet pressure – as low as 2oz/in² and up to 120psig





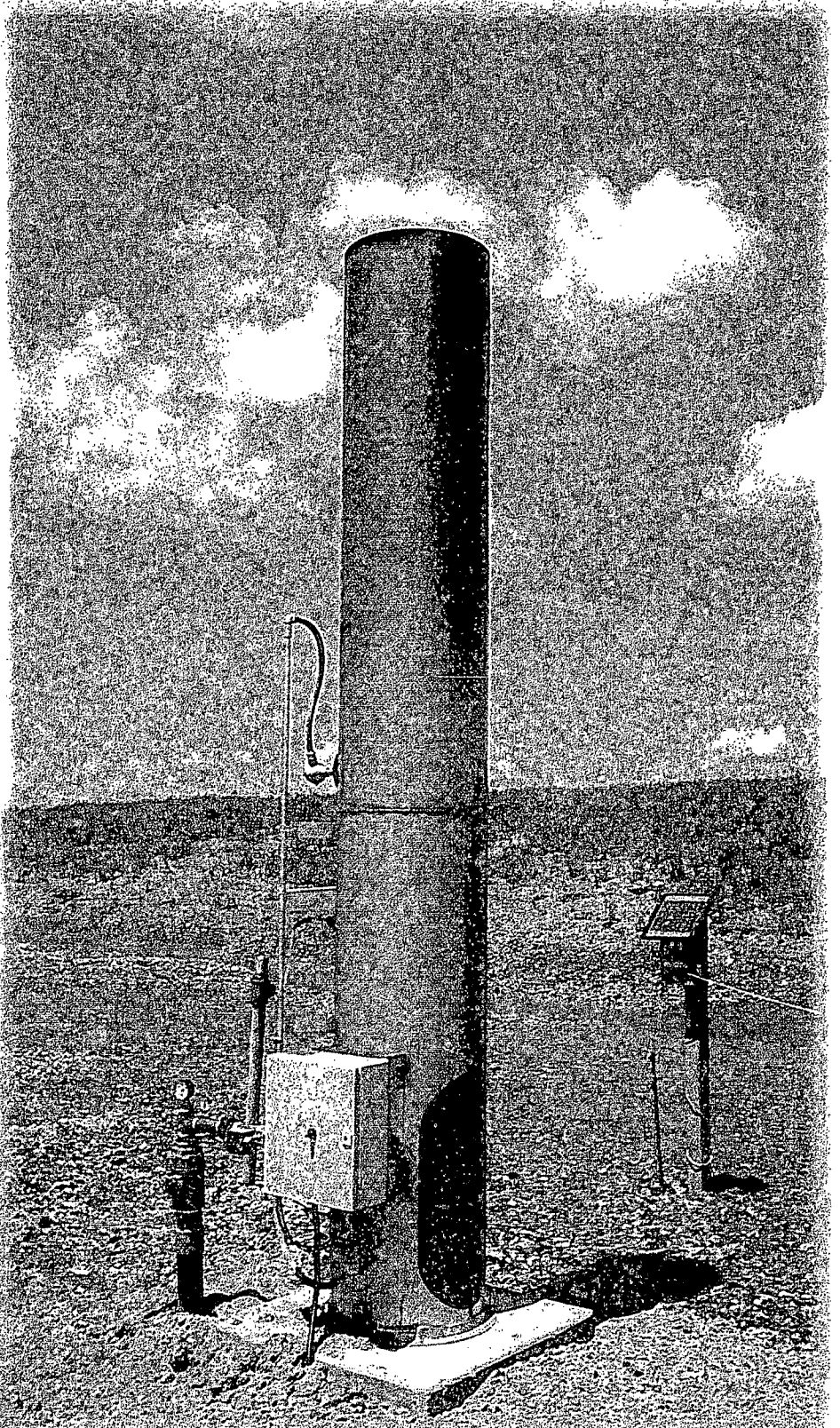
HY-BON EDI

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.

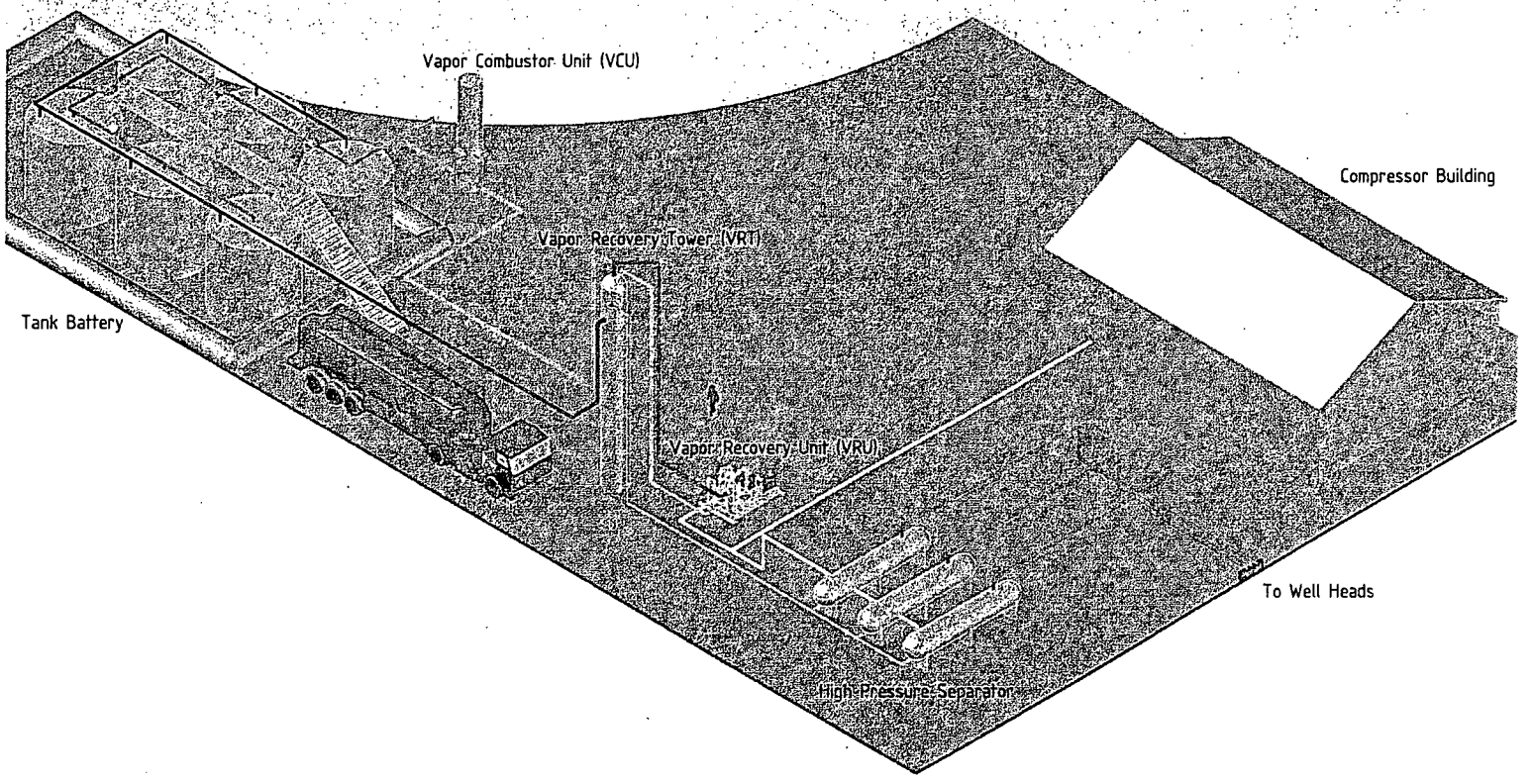
The enclosed VCU has been Quad O Performance Tested at 99% Destruction Removal Efficiency (DRE), exceeding the 95% DRE required by the new regulations. The VCU package includes a control box that logs operational data, as required in the new regulations.



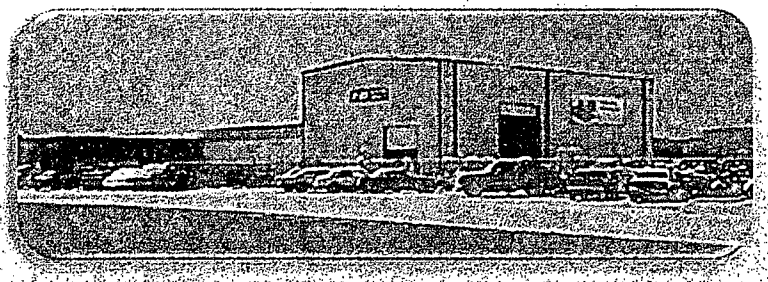
The enclosed VCU has two standard sizes:

- 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

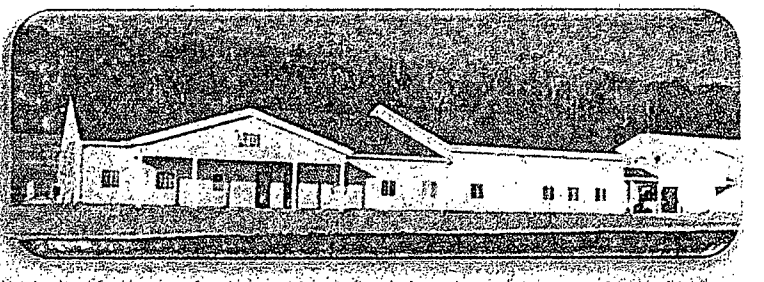
Midland, TX 79703

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

QUALITY & SERVICE
MAKE THE "DIFF"

(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; folw 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 Temperture: -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,

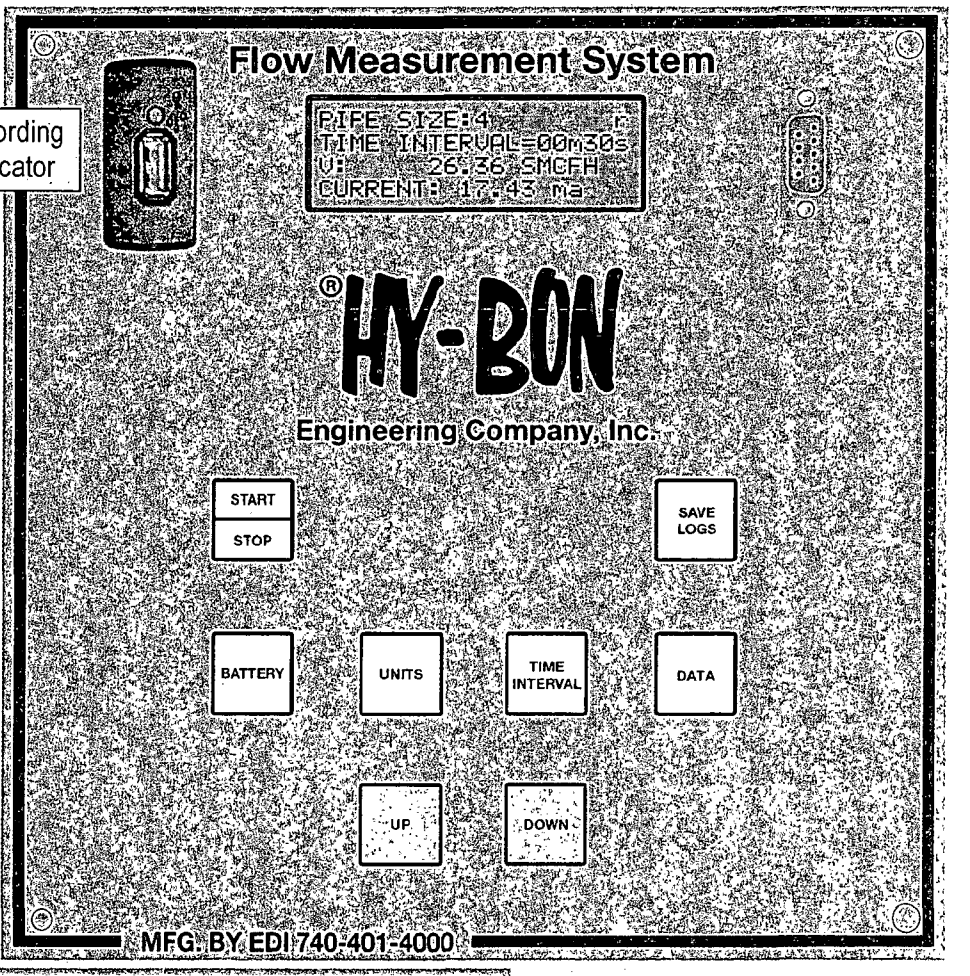
Scott Baker

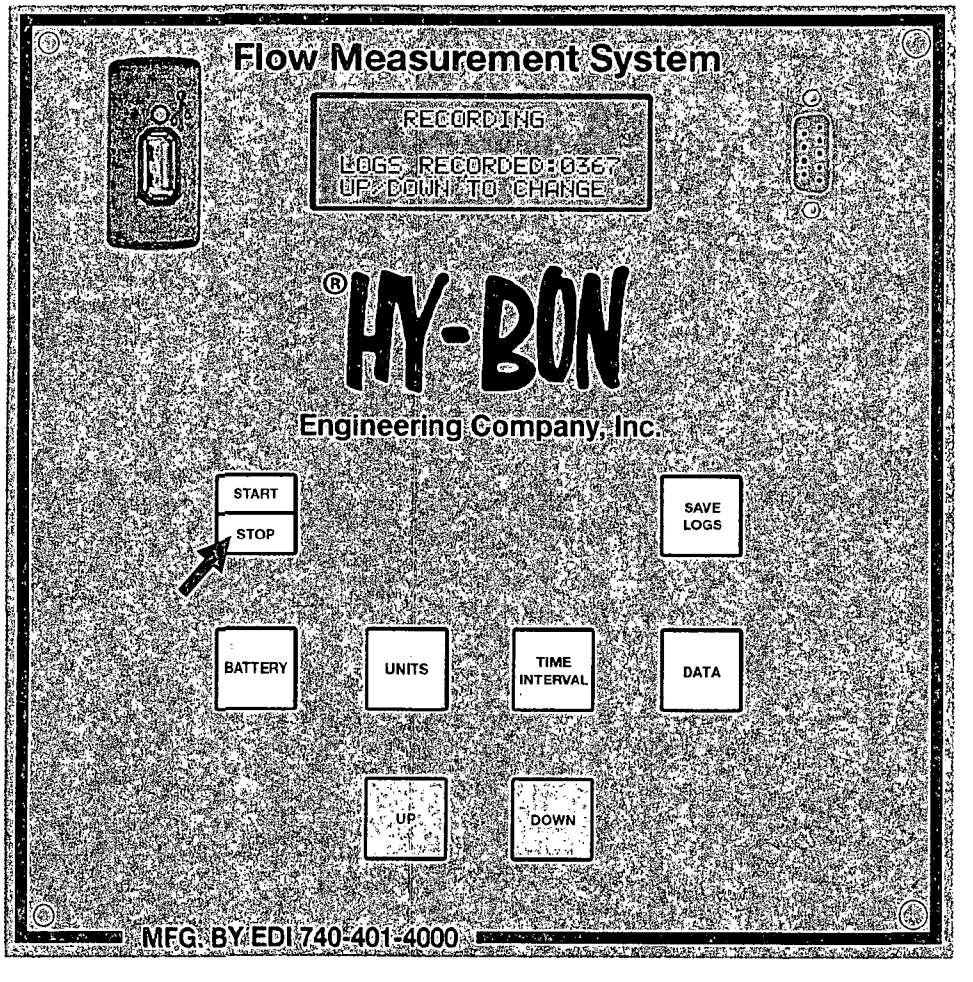
Sales EDI
Office 740-401-4000
Cell 740-525-1838
sbaker@ediplungerlift.com
www.ediplungerlift.com

HY-BON Flow Measurement System—Screens

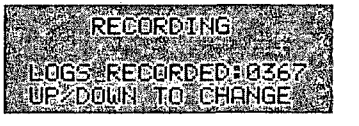
Main Screen
(No buttons pressed)

Recording Indicator





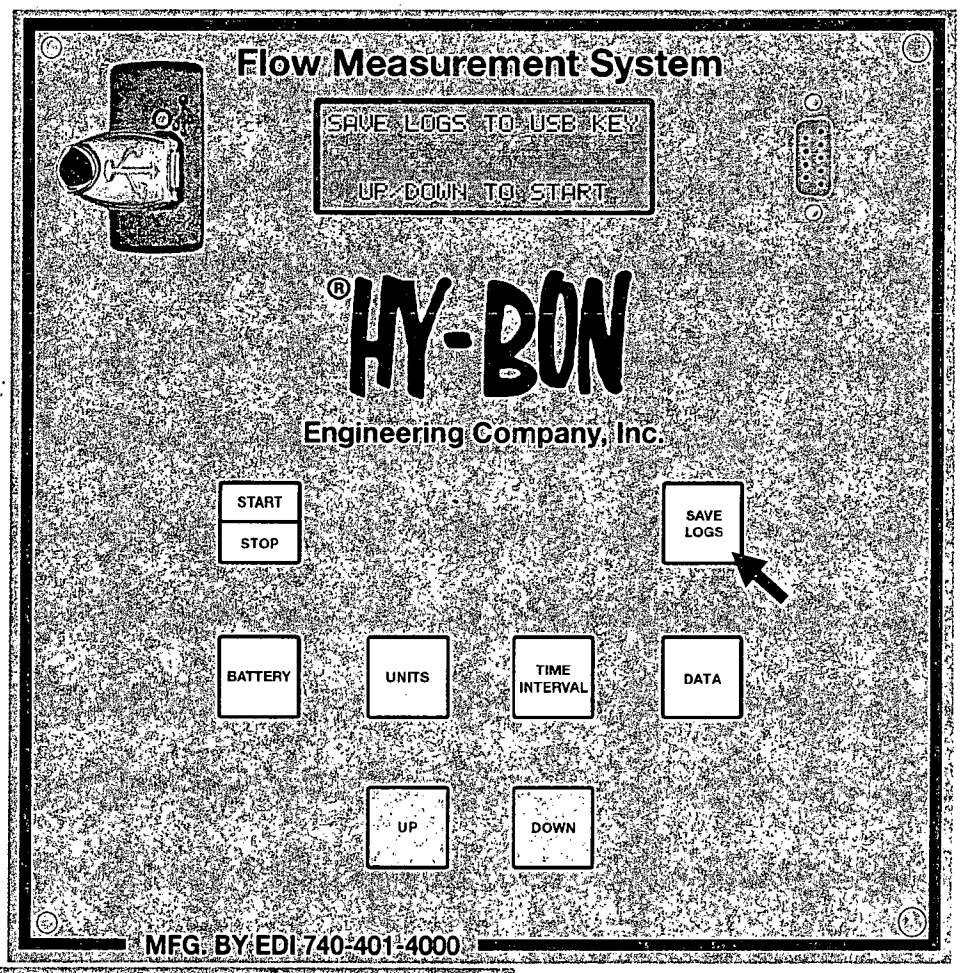
Start / Stop Button

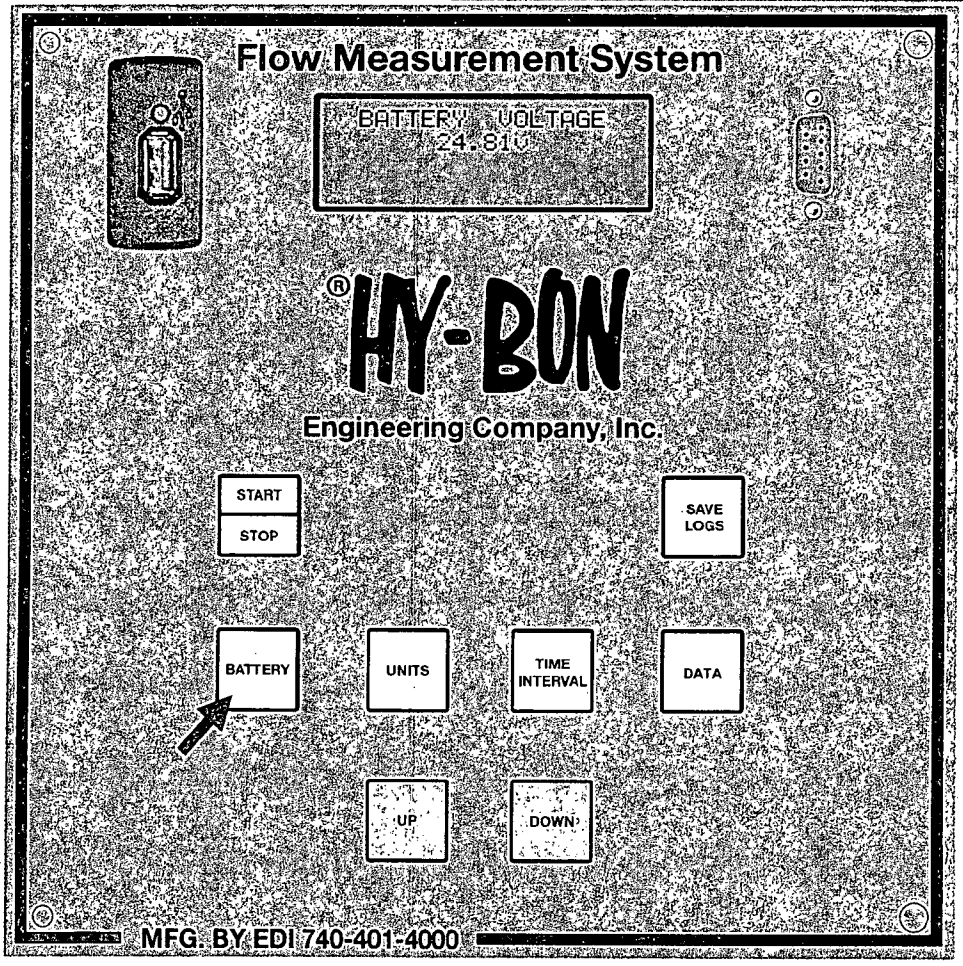


Save Logs Button

Wait while it initializes the USB module:

If USB key has not already been inserted:

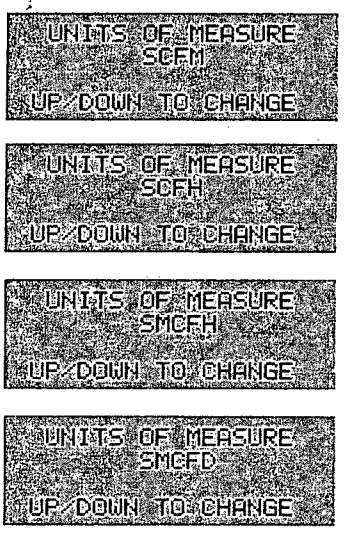


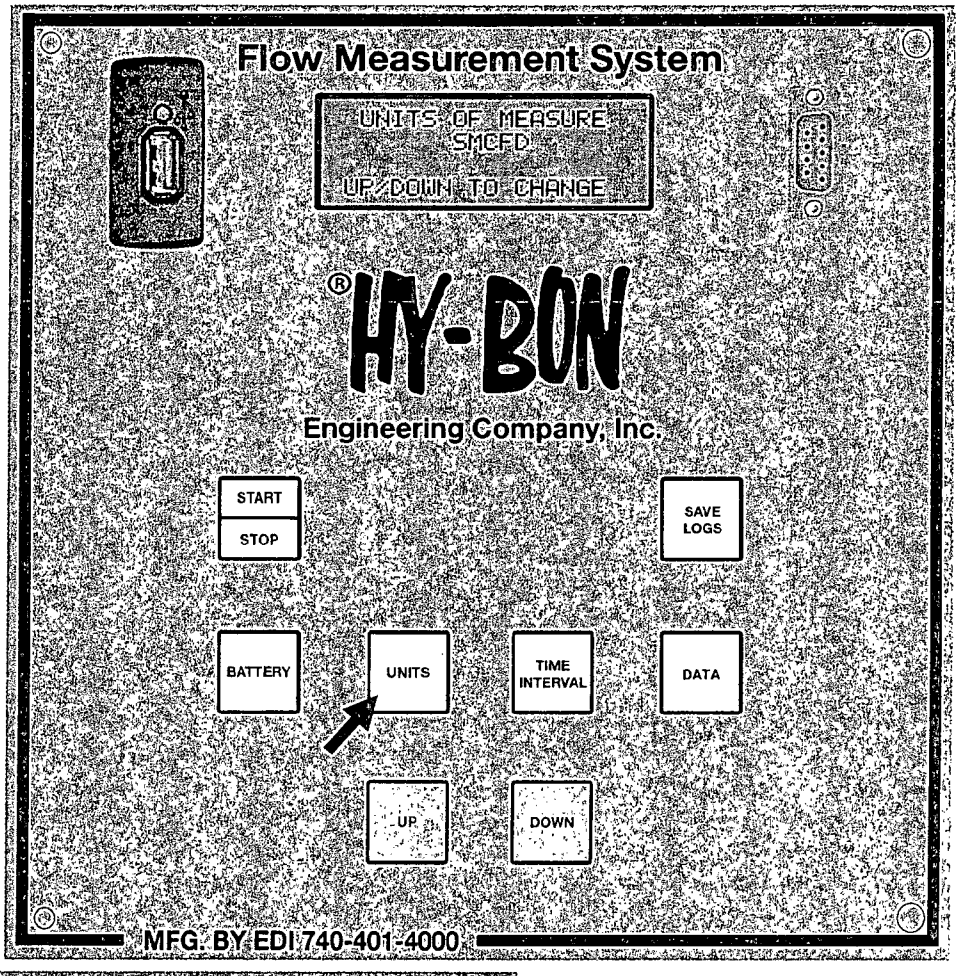


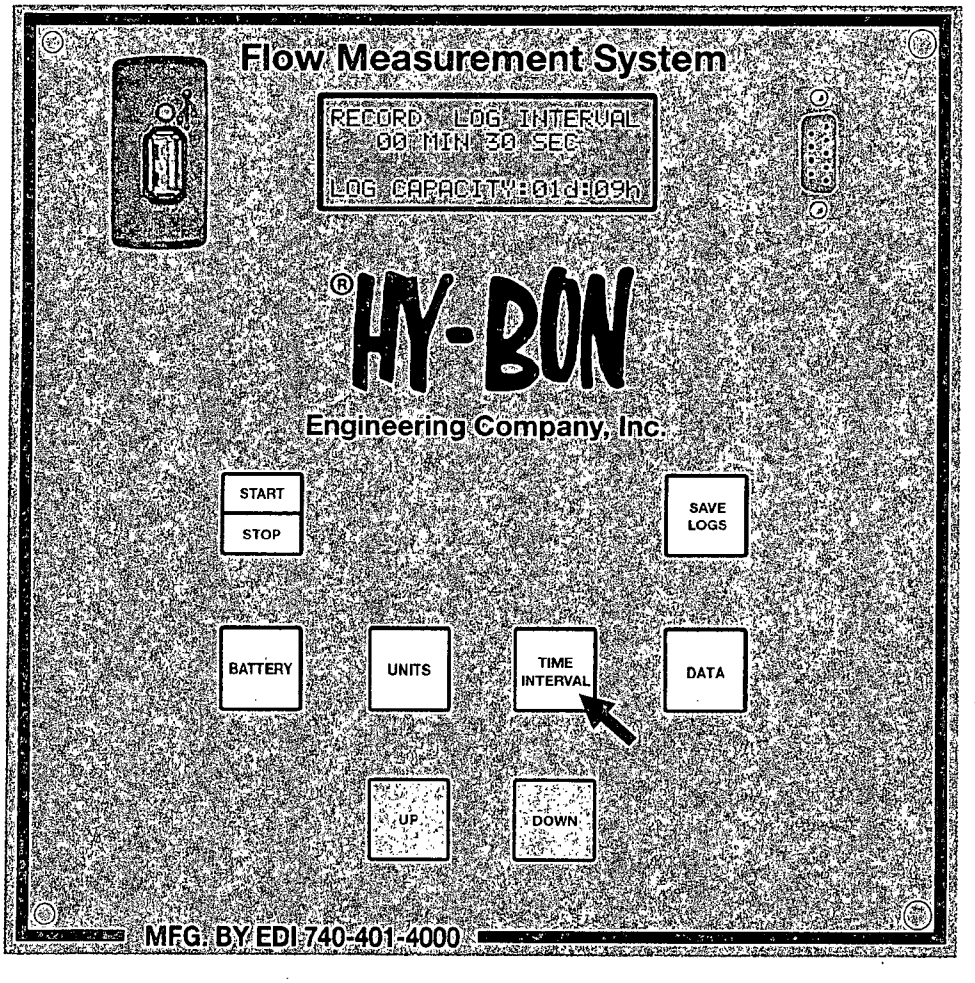
Battery Button

HY-BON Flow Measurement System—Screens

Units Button



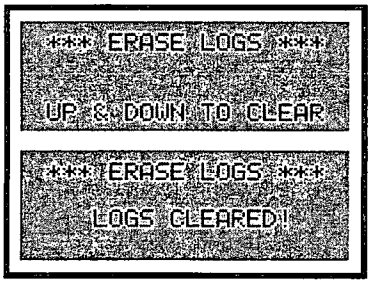


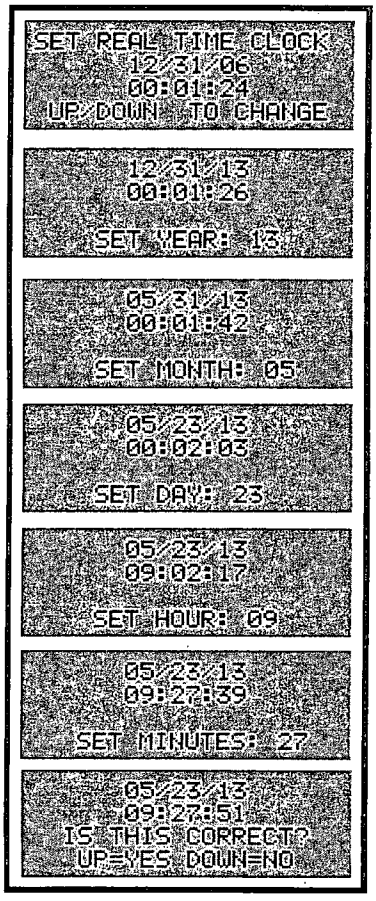


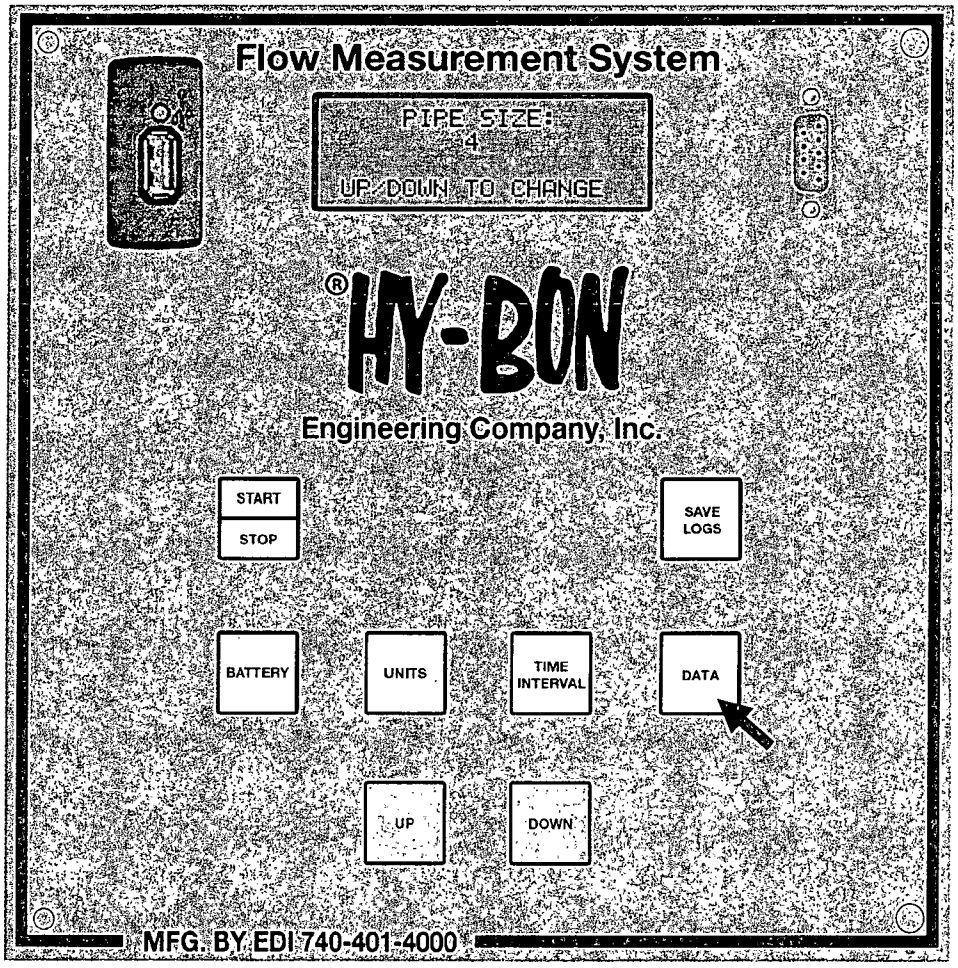
Time Interval Button

Data Button


PIPE SIZE:
4
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


Flow Measurement System
PIPE SIZE:
4
UP/DOWN TO CHANGE
®HY-BON
Engineering Company, Inc.
START
STOP
SAVE LOGS
BATTERY
UNITS
TIME INTERVAL
DATA
UP
DOWN
MFG. BY EDI 740-401-4000

BLM Lease Number:
NMNM2748,NMNM2747,NMLC029338A,NML C030570A,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 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.

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.

( ) seed mixture 1	( ) seed mixture 3
( ) seed mixture 2	( ) seed mixture 4
(x) seed mixture 2/LPC	( ) 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.