

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004137  
Expires March 31, 2007

NOV 20 2007  
OCD-ARTESIA

**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  
☐ Oil well ☒ Gas Well ☐ Other

2. Name of Operator  
Rubicon Oil & Gas, LLC (194266)

3a. Address 3b. Phone No. (include area code)  
508 W. Wall, Suite 500, Midland, TX 79701 432 687 5100

4. Location of Well (Footage, Sec., T, R, M, or Survey Description)  
1200 FSL & 1200 FWL(M), Sec 29, T15S, R28E

5. Lease Serial No.  
NM 036718

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Rhinstone Federal 29 Com #1

9. API Well No.  
30 005 63936

10. Field and Pool, or Exploratory Area  
Diamond Mound (Morrow) 76079

11. County or Parish, State

Chaves County, New Mexico

**12. CHECK APPROPRIATE BOX(S) 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 type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Gas Sales Line
	<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"/> PlugBack	<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/BIA. 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 site is ready for final inspection.)

Propose to lay 385', 2" line to gas sales meter. Estimated date is within 10 days.

Line originates SW corner of location proceeds west parallel to existing entrance road, 20' off of center line of existing lease road, to Duke PPL sales meter. The area is covered under the arch survey submitted with the application to drill.

Plat attached.

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

Ann E. Ritchie

Title Regulatory Agent (432) 684-6381

Signature

Date 10/05/2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

/s/ Angel Mayes

Assistant Field Manager,  
Lands And Minerals

Date NOV 14 2007

Approved by:

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 ROSWELL FIELD 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.

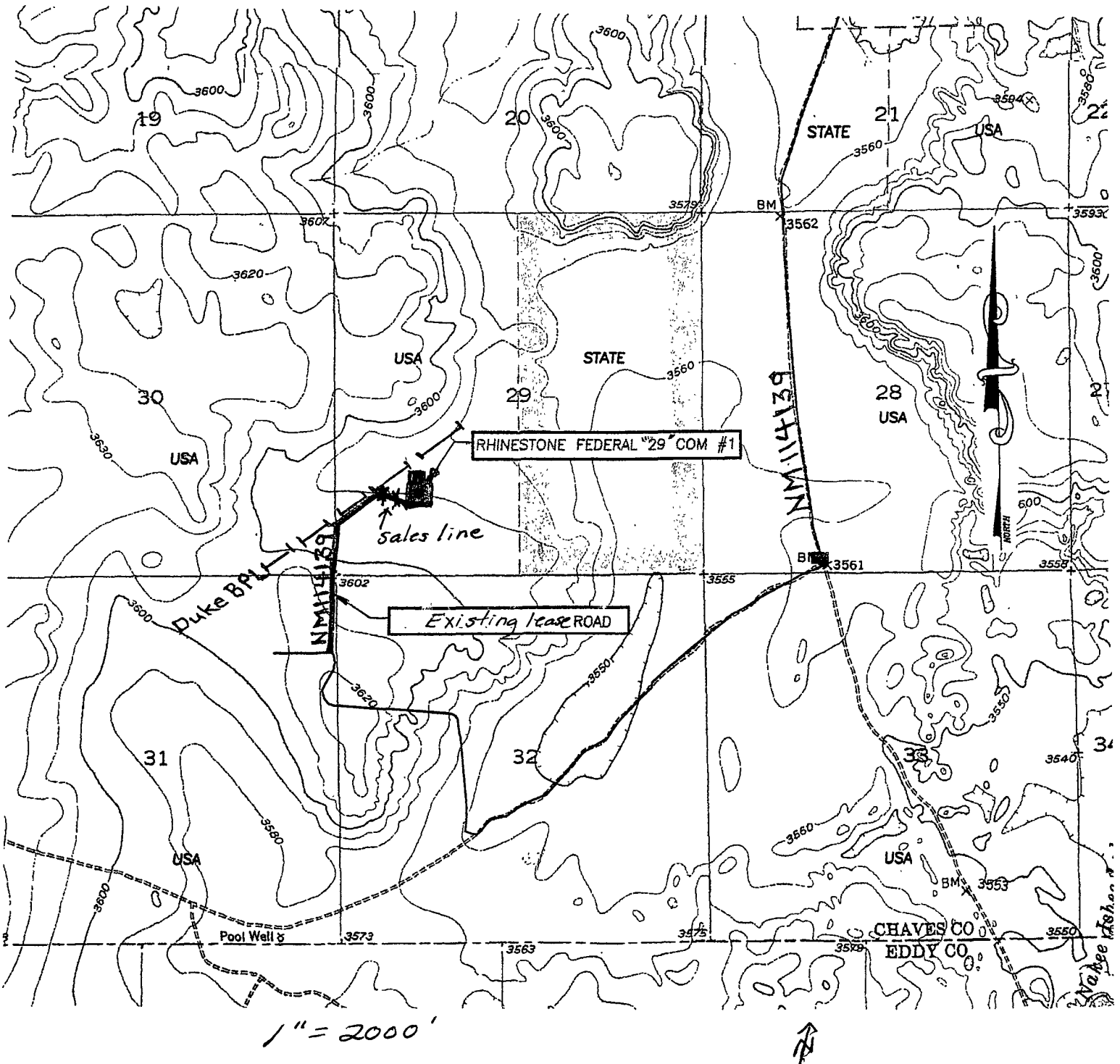
(Instructions on page 2)

Accepted for record - NMOCD

11/21/07

# EXHIBIT A

OPERATORS NAME: Rubicon Oil & Gas, LLC LEASE NO.: NM-036718  
WELL NAME & NO: Rhinestone Federal "29" Com. #1  
QUARTER/QUARTER & FOOTAGE: SW $\frac{1}{4}$ SW $\frac{1}{4}$  - 1200' FSL & 1200' FWL  
LOCATION: Section 29, T. 15 S., R. 28 E.  
COUNTY: Chaves County, New Mexico, NMPM



# EXHIBIT A

11/2/07

OPERATORS NAME: Rubicon Oil & Gas, LLC

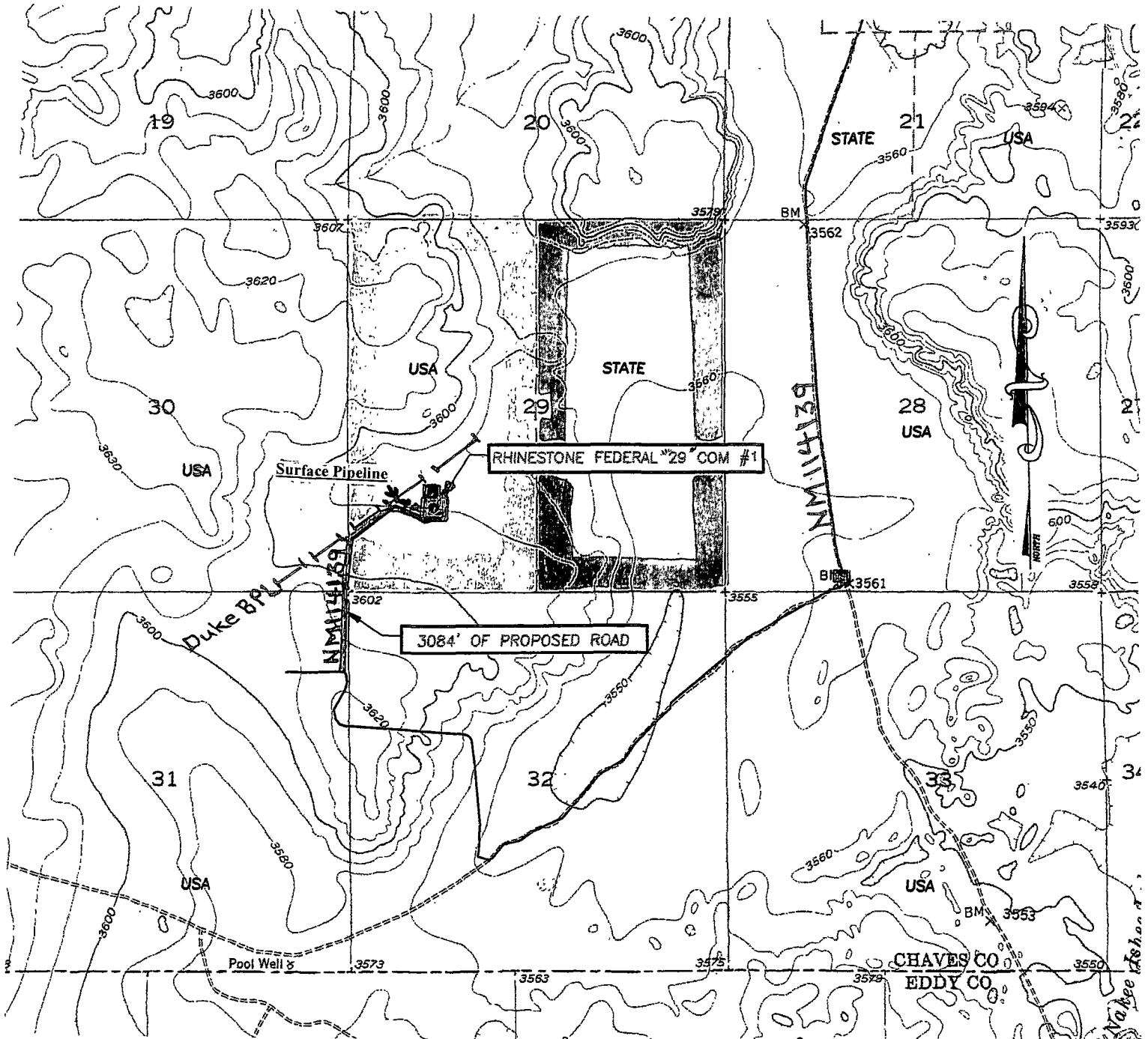
LEASE NO.: NM-036718

WELL NAME & NO: Rhinestone Federal "29" Com. #1 - Surface Pipeline

SURFACE HOLE FOOTAGE: 1200' FSL & 1200' FWL

LOCATION: Section 29, T. 15 S., R. 28 E., NMPM

COUNTY: Chaves County, New Mexico



# PECOS DISTRICT - RFO

OPERATORS NAME: Rubicon Oil & Gas, LLC  
LEASE NO.: NM-036718  
WELL NAME & NO: Rhinestone Federal "29" Com. #1 - Surface Pipeline  
SURFACE HOLE FOOTAGE: 1200' FSL & 1200' FWL  
LOCATION: Section 29, T. 15 S., R. 28 E., NMPM  
COUNTY: Chaves County, New Mexico

11/2/07

## STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES IN THE ROSWELL FIELD OFFICE, BLM

### A. THE APD AND/OR THE SUNDRY NOTICE WAS USED FOR THE ON-LEASE SURFACE PIPELINE CONSTRUCTION.

1. The APD and/or Sundry Notice And Report On Wells can act, to the extent possible, as an application for the on-lease construction of a surface flowline on Federal surface. In combination with the approved APD, the following standard terms and conditions are hereby attached to the APD/SN on-lease authorization.

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

1. The BLM shall administer compliance and monitor construction of the flowline. Notify Richard G. Hill at least 3 working days (72 Hours) prior to commencing construction of the flowline. Roswell Field Office number (505) 627-0247.

### 2. PIPELINE CONSTRUCTION:

A.) The entire 2" steel pipeline (385 feet) shall be laid on the surface within a maximum disturbance width of 25 feet.

B.) The 2 inch steel pipeline shall parallel the east side of the new access road.

C.) The pipeline centerline shall be constructed 20 feet from the centerline of the existing road.

D.) The operations shall be contained within the perimeters of the archaeological surveyed areas.

3. All maintenance activity shall be confined within the authorized pipeline corridor width of 25 feet.

4. No blading or clearing of any vegetation shall be permitted unless approved in writing by the Authorized Officer.

5. Where encountered, the holder shall install the flowline on the surface in such a manner that will minimize suspension of the flowline across low areas in the terrain.
6. 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 the Sundry Notice approval for construction of a surface flowline.
7. 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 flowline corridor or on facilities authorized under this approval. (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.
8. 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 pipeline corridor (unless the release or threatened release is wholly unrelated to the holder's activity on the pipeline corridor), or resulting from other activities of the holder on the flowline corridor. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
9. 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 flowline rupture, fire, or spills caused or substantially aggravated by any of the following within the flowline corridor or permit area:
  - a. Activities of the holder including, but are 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.
    - a. 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.

b. 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.

10. If, during any phase of the construction, operation, maintenance, or termination of the flowline, any gas, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal land, the control and total removal, disposal, and cleaning up of such gas, 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 land, or to repair all damages resulting therefrom, on the Federal land, 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.

11. The holder shall minimize disturbance to existing fences and other improvements on public land. 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.

12. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for those being encountered and which are in accordance with sound resource management practices.

13. Excluding the pipeline, 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 or Supplemental Environmental Colors "Olive Drab 18-0622 TPX (Colors derived from "PANTONE" FOR Architecture and Interiors Color Guide designated by the Rocky Mountain Five State Interagency Committee.

14. The flowline will be identified by signs at the point of origin and completion of the flowline and at all road crossings. At a minimum, signs will state the holder's name, BLM leaser number, and the product being transported. Signs will be maintained in a legible condition for the life of the flowline.

15. The holder shall not use the flowline 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 flowline route is not used as a roadway.

16. Other:

- a. **In the event that the construction of the surface pipeline creates any surface disturbances that require seeding, the following seed mixture shall be used. The seeding requirement shall be initiated upon discover that the surface disturbance requires ripping and seeding.**

**Desired Plant Community** seed mixture to be planted in pounds of pure live seed per acre:

Sotim-Simona association  
Sandy SD-3 Ecological Site

<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Pounds of Pure Live Seed Per Acre</u>
Blue grama,	( <i>Bouteloua gracilis</i> )	3.00 lbs.
or black grama	( <i>Bouteloua eriopoda</i> )	
Sideoats grama,	( <i>Bouteloua curtipendula</i> )	2.0 lbs.
Sand dropseed	( <i>Sporobolus cryptandrus</i> )	1.5 lbs.
or Mesa dropseed	( <i>S. flexuosus</i> )	
or spike dropseed	( <i>S. contractus</i> )	
Desert or Scarlet	( <i>Sphaeralcea ambigua</i> )	1.0 lb.
Globemallow	or ( <i>S. coccinea</i> )	
Croton	( <i>Croton</i> spp.)	<u>1.00 lb.</u>
TOTAL POUNDS PURE LIVE SEED PER ACRE		8.50 lbs.

If one species is not available, increase ALL others proportionately. Certified Weed Free Seed. A minimum of 4 species is required, including 1 forb species.

In the event noxious weeds are discovered after the proposed pipeline is laid on the surface measures will be taken to mitigate this impact.